Daily Report

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FBIS-EEU-93-094 *18 May 1993*

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Appeal Court Increases Nexhmije Hoxha Sentence

AU1805093893 Tirana ATA in English 0822 GMT 18 May 93

[Text] Tirana, May 18 (ATA)—Dissatisfied with the verdict of Tirana District Court on January 28,1993, which sentenced her with 9 years of imprisonment, Nexhmije Hoxha, the widow of the dictator Enver Hoxha had addressed a letter to the jury demanding her release because of her old age and her no good health. She also demanded the acceleration of her trial.

Today the penal case against the accused N.Hoxha and K.Buxheli, ex-director of reception department in the time of the communist regime, was tried.

The defendant Hoxha failed to show up in the court, but was represented by her lawyer Mr.Beshiri, who presented her claims regarding the verdict against her.

The attorney of the case, finding out that the amount of misappropriation by the defendant is a higher figure than that observed by the district court, demanded from the judicial council a verdict of 12 years of imprisonment. The judicial council decided that she be sentenced with 11 years of imprisonment.

Whereas for the defendant K. Buxheli demanded that he be declared innocent as regards to the accusation of appropriation of property and the sentence by the district court for four years of imprisonment for duty abuse remain unchanged. For this defendant the Judicial Council of the court appeal decided that he be sentenced for four years of imprisonment as given by Tirana District Court.

'Gift' of U.S. Printing Press Criticized

AU1705095293 Lezhe KOHA JONE in Albanian 12 May 93 pp 1, 4

[L. Skiroi article: "Mr.Ryerson's Apple"]

[Text]

A Failure at Birth

The U.S. "Democracy" printing works was inaugurated in Tirana some time ago, with great fanfare and in the presence of the Albanian president himself. According to statements made over a long period of time by the U.S. side, it was to print "the newspapers of Albanian democracy." There were to be seven papers, most belonging to political parties. Thus, a great state power such as the United States is in our world to little Albania through its ambassador Mr. Ryerson, saying, "Let me decide where you Albanians have democracy, and let me decide which are your democratic newspapers." At a time when Albanian boys and girls, in love with freedom and their people's future democracy, were wrestling with the dictatorship and planning the democratic road, this future Ambassador Ryerson was who knows where, in the United States or in Belgrade. Then, as soon as the struggle was over he turned up in a room turned into an office on the second floor of the Dajti Hotel and pointed with his finger from the hotel window: "This newspaper is democratic, but not that one; this man is a democrat, but not that one." As a result, we are in our present state. His politics not only failed yesterday, when the journalists of the newspapers of the American "Democracy" printing works announced a strike, but beforehand, when Ambassador Ryerson pointed fingers at Albanians and identified them.

Has Ryerson Ever Been in the United States?

We are quite certain that the U.S. ambassador in Tirana has trodden U.S. soil, because we saw him on television welcoming our president, Mr. Berisha. However, the question is whether he has been to see broad American democracy and its deep principles. As is well known, in the United States democracy in the press means first of all the freedom and independence of the press, and its release from party and state tutelage. However, Mr Ryerson here offers us the press of the parties as the most advanced model of democracy in the press, and moreover the press of the parties he follows himself at rallies and elections and the press of the ruling party, from which even its founding journalists have resigned over its lack of democracy. One wonders, is this supposed to be democracy? Not one of Albania's independent newspapers was accepted for publication at the "Democracy" printing works. This is a very great paradox. From the point of view of democratic theory, either the great Jefferson and Lincoln are right, and Mr. Ryerson is wrong, or Jefferson and Lincoln are out of date.

Does the American Know What the Word Gift Means in Albanian?

In its most immediate sense for the U.S. side, the word gift is very close to the words printing works, because so far, we have heard from the news, what the Americans have given to our country has amounted to a few medicines brought by plane, a ballpoint pen, and the "Democracy" printing works. The Democracy printing works is greatly appreciated, especially by us journalists and people involved in the press. Albania is markedly backward in the printing technology it inherited from the past. People believed that, as soon as the United States involved itself in the matter, at least the printing problem would be solved, not just for today, but for centuries in the future. The United states brought us this small printing works as a gift. However, some people did not say thanks. It turns out that this gift is of the kind of which it is said, "I will give it to you as a present, and keep it for myself"; or "I will give it to you as a present, but I still want it to turn a big profit for me." That is what the American said when the journalists of the six newspapers published there went bankrupt because of the very high prices. As they went bankrupt, at the same time they protested, saying, "Was this a present, or what?"

Ryerson and His Apple

With the "Democracy" printing works, Mr. Ryerson brought an apple, an apple that some people did not care for. However, he threw it into the midst of the very hungry Albanians and they all rushed forward. Then the clever man found a way to become a referee: Three or four people will eat this apple, while you others can go away! In other words, the apple, or the printing works, served to divide the Albanians into those that were liked and those who were not liked. "The apple of discord" is mentioned somewhere in our folk literature.

We Albanians have the very ugly custom of looking at our friends, neighbors, or politician and journalist colleagues, not as we know them to be, but as they are portrayed to us by someone else who is not one of us, such as Mr. Ryerson or some other Mr. However, this divides the Albanians among themselves and does not bring them democracy. We are so poor that we destroy ourselves over such an apple as is the small printing works. Reading these lines, someone might say that one should write circumspectly about a diplomatic agency such as that of Mr. Ryerson. No. This indeed concerns our basic issue of peace and unity among ourselves, among the Albanians, and nothing can be more important than this. Anybody who disrupts our peace and unity does us no good.

Regret and Support for Our Colleagues

Of course we are sorry for our Albanian journalist colleagues who went bankrupt at the "Democracy" printing works. We associate ourselves with their fair demands for the publication of the Albanian newspapers whose printing has stopped and which have gone bankrupt because of the high prices at the printing works. We always feel alongside them in their efforts to increase the number of publications in our press, to gain freedom of the press, and to make their contribution to the country's democratization. However, we could also make a suggestion to our colleagues: A suggestion that they should not distance themselves from their colleagues over the "apple." Here is another suggestion: The ruling party's newspaper is being published at the same printing works where the six others are now on strike. Does it sell more copies than the others? No. From where does it obtain its revenue? Who is financing it, so that it does not go bankrupt like the other six? We do not believe that the party-state can still today be like the Albanian Workers Party of yesterday. Nevertheless, let us look carefully to see the real extent of Albanian democracy today.

Berov Discusses Embargo With Greece, Turkey

AU1705192693 Sofia Bulgarska Televiziya Network in Bulgarian 1700 GMT 17 May 93

[Interview with Prime Minister Lyuben Berov by unidentified reporter—live]

[Excerpt] [Reporter] Prime Minister, will the events resulting from the referendum in Bosnia likely be discussed at today's cabinet meeting?

[Berov] I took an initiative and proposed to the ambassadors of Greece and Turkey in the presence of U.S. Ambassador Kenneth Hugh Hill and Russian Ambassador Avdeyev that we, the three Balkan states, take a joint step by defining a free transit corridor for our goods through Serbia, namely through Belgrade, and on the Danube as well. This corridor should be guarded to the extent that it would ensure that even if we lose a button along the way, it would be found. Of course, this excludes the illegal delivery of all kinds of goods for Serbia, regardless of whether they are embargoed. Thus, I shall await a decision, and even if Greece and Turkey should not agree, I hope that at least Greece shall support us, and even Turkey may do so. Even if they refuse to support us, Bulgaria will go ahead with the project, because we have no other choice, as passage through Romania is infinitely difficult and complicated. [passage omitted]

Cabinet Memo to UN on Easing Transit Rules

AU1805050093 Sofia BTA in English 1915 GMT 17 May 93

[Text] Sofia, May 17 (BTA)—The government of Bulgaria urgently calls on the UN Security Council to consider the possibilities for a relaxation of the regulations for transit across the territory of Serbia and Montenegro, including the River Danube, accompanied with appropriate control to guarantee the strict observance of bans and restrictions, reads a memorandum to the UN Security Council, approved by the cabinet at its meeting today.

Prime Minister Lyuben Berov told the press before the start of the cabinet meeting that he had approached the ambassadors of Greece and Turkey in Sofia for assistance in guaranteeing a free corridor for the transport of Bulgarian goods across Serbia. The meeting was attended by the ambassadors of the U.S. and Russia in an observer capacity.

Mr. Berov expressed the opinion that at least Greece will support the Bulgarian request. It is a question of a corridor along the Danube, on which each barge group will be guarded, and of two overland corridors, a road and a railway one, between Sofia and Belgrade and further Northwestward to Hungary, the prime minister specified.

Bulgaria strictly observes the sanctions against Serbia and Montenegro, as a result of which it sustains considerable economic losses, the memorandum reads further on. A report of the government commission puts the losses at a conservative estimate of 2,000 million U.S. dollars, while monthly losses amount to some 235 million U.S. dollars.

Cabinet Approves Draft of Energy Policy Plan

AU1705193193 Sofia BTA in English 1724 GMT 17 May 93

[Text] Sofia, May 17 (BTA)—At its regular meeting today, the government approved in principle a draft new structure of the Power Engineering Committee. The document sets the following priorities for Bulgaria's energy strategy until the year 2010: energy saving, stabilization of existing capacities, environmentally sustainable development of power engineering, maximized utilization of local resources, nuclear power safety, and development of gas power generation.

The cabinet discussed but did not approve a final version of irrigation and reclamation fees for 1993. The amount of the fees will be considered by the ministries of agriculture, construction and the environment.

The Council of Ministers revoked the import duty exemption of liquid fuels and oils for the needs of the ministries of defense, the interior, the National Bodyguard Service, the National Intelligence Service and the Civil Defense. The cabinet ministers say the two oil refineries in the country are in a position to meet theses departments' needs of fuels and oils. Duty-free import for the needs of the said departments may create conditions for circumvention of the Law and inflict losses on local producers, the cabinet decided.

The Council of Ministers moves to the National Assembly to ratify the bilateral agreements with Austria and Switzerland on consolidation of Bulgaria's foreign debt within the Paris Club, which were signed in April 1993.

The cabinet approved and will move to parliament for ratification bilateral agreements between the governments of Bulgaria and of Greece and Denmark on the promotion and reciprocal protection of investment.

SDS Leader Concerned With Government Trends

AU1505192393 Sofia BTA in English 1808 GMT 15 May 93

["Today"—BTA lead]

[Text] Sofia, May 15 (BTA)—Meeting reporters of foreign news agencies and the Bulgarian News Agency (BTA), the leader of the Union of Democratic Forces (SDS) Filip Dimitrov expressed concern over some trends in government. According to him, these trends violate democratic principles. They culminated in the violence against SDS floor leader and former National

Assembly boss Stefan Savov at the rally on Thursday [13 May], "which was instigated by a provocative statement by Prime Minister Lyuben Berov," Mr. Dimitrov said. Such events should not be passed over in silence and the violations of constitutional order should be criticized, the SDS leader said.

The 40th regular congress of the SDS-affiliated Social Democratic Party started today. The delegates will hear a political report and a report on amendments to the statues and elect decision-making bodies. The party members, who voted for the Lyuben Berov cabinet in violation of an SDS decision, are not admitted to the congress.

An extraordinary congress of the SDS-affiliated United Christian Democratic Centre started in Plovdiv today. The party's leader Stoyan Ganev is not present at the forum. The report on the current political situation in this country will be delivered by his deputy Ventsislav Dimitrov. Tomorrow the party is expected to elect a new leadership.

A meeting of the Central Leadership of the extraparliamentary Liberals Party started today. The party's leader Petko Simeonov made an analysis of the political situation in this country.

The fourth congress of the Union for Private Economic Enterprise started today. The union's leader Valentin Mollov sees the drafting of a bill on the creation and promotion of small businesses in Bulgaria as the organization's greatest achievement.

A conference on comparative Balkan parliamentarism sponsored by the Social and Political Studies Centre at Sofia University ended in Veliko Turnovo. The scientists recommended the politicians a dialogue on equal terms on the current problems in the Balkans. The final event under the project will be held in Switzerland this autumn.

Ruse is hosting a two-day seminar on problems of local self-government sponsored by the Bulgarian Democracy and the German Konrad Adenauer Foundations. The schedule includes lectures and discussions on local government policies.

The Academic Youth Eco-Club held a protest procession in Sofia in support of the protests in many countries against the climate changes caused by increasing emissions of carbon dioxide and other gases. The organizers are collecting signatures under a petition to parliament's standing committee on the environment. The students urge legal steps to reduce air pollution.

The participants in the Fourth National Conference of the Union of Victims of Communist Repression, held in Stara Zagora today, decided to issue a book documenting the crimes of the communist government. The conference approved the initiative to restore the Monument to the Bulgarian Soldier in Sofia and suggested to build a chapel and put up a plaque commemorating the victims of terror after the communist takeover on September 9, 1994.

New Christian Democratic Center Leader Elected

AU1605173893 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 16 May 93

[Text] Despite the fact that the five candidates for the post leader of the Christian Democratic Center Union, proposed at the party's national forum, were considered as having equal chances, Stefan Sofiyanski was elected in the first round with 90 votes. The former leader, Stoyan Ganev, received 29 votes.

In a statement for BTA, Mr. Sofiyanski said that he will direct his efforts toward setting up clear goals for the party and correct relations within the party and with the coalition partners within the Union of Democratic Forces.

More Arrests Reported on Southern Border

AU1405174593 Sofia BTA in English 1508 GMT 14 May 93

[Text] Sofia, May 14 (BTA)—Attempts to illegally cross Bulgaria's southern border doubled from last year, a senior source of the border guard unit in Momchilgrad, on the Bulgarian-Turkish border, told BTA.

The border guards tracked two routes to smuggle people across the border in eight months, one to the Turkish town of Avren, and the second, traced this month, to the Greek town of Komotene. The heavy charge of 300 German marks per person has not checked the flow of would-be trespassers. 90 percent are caught before they get over the border installations. Most are Gypsies, some with a criminal record.

Bulgarian law does not envisage serious penalties and trespassers are freed in a couple of days, while the border troops' expenditures on food and transport have risen manifold.

UN Development Program To Provide $3 Million

AU1705130393 Sofia BTA in English 1204 GMT 17 May 93

[Text] Sofia, May 17 (BTA)—The UN Development Programme (UNDP) will extend to Bulgaria technical assistance worth about 3 million dollars in 1993, says STANDARD NEWS, which has interviewed Fabrizio Ossela, UNDP resident representative in Bulgaria. He says the assistance will be allocated for the administrative reform, environmental protection, medium- and small-sized enterprises.

The assistance which will be extended is quite different from that offered in the past, says Mr. Ossela. According to him, the UNDP will give financial assistance to the administration during the transition from a centrally

planned to a market economy. The UNDP wants to help the Bulgarian personnel do all the work, rather than import foreign experts, Mr. Ossela says.

A portion of the UNDP financing is allocated for the drafting and implementation of a programme targeted on major polluters. Mr. Ossela says he has held talks with representatives of the Bulgarian Ministry of the Environment on sources of pollution in southern Bulgaria, especially of the Maritsa and Tundzha Rivers, which run across Bulgaria and Turkey.

The UNDP representative says Bulgaria has both natural and historical prerequisites for tourism and if the Bulgarian Government makes a request, the world tourism organization can offer assistance through the UNDP, above all in the management of tourism.

Rally for Communist Repression Victims

AU1605182393 Sofia BTA in English 1744 GMT 16 May 93

["Today"—BTA lead]

[Excerpt] Sofia, May 16 (BTA)—The participants in the rally, called by the Union of Victims of Communist Repression in Stara Zagora, expressed the view the culprits for repression after the communist takeover on September 9, 1994 should be taken to court and punished. There should be no prescription for crimes, which were the official government policy, many speakers said. The participants heard an address by President Zhelyu Zhelev, on the need to prevent political extremism and confrontation.

The youth organization of the Democratic Party, an affiliate of the Union of Democratic Forces (SDS), thinks a restoration of communism is underway in Bulgaria, says a declaration of the organization, delivered at the BTA. The parliamentary majority of the Bulgarian Socialist Party (BSP) and the ethnic Turks' Movement for Rights and Freedoms (DPS), President Zhelyu Zhelev and his protege Prime Minister Lyuben Berov should assume full responsibility for this process, the declaration says. The organization calls for early parliamentary elections.

The SDS-affiliated Social Democratic Party thinks this country is in a deep political, economic and moral crisis, says a policy document passed by the party's 40th congress today. The Social Democrats see the struggle against communism and its current incarnations as a priority of their political practice at home and abroad, it says. The congress issued a political declaration, describing the Lyuben Berov cabinet as a puppet government, which is pursuing a policy of re-communization. The Social Democrats protest against what they see as mass politically-motivated dismissals. They see early parliamentary elections as the only way out of the economic and political crisis. The SDS should take part in the elections as a united organization, allied with all democratic and anti-communist forces in this country, according to the Social Democrats. The congress reelected Mr. Ivan Kurtev as chairman of the party. Mr. Stefan Tabakov was elected honorary chairman.

The national forum of the SDS-affiliated Christian Democratic Centre elected Mr. Stefan Sofiyanski as the party's new leader. In a statement before the BTA, Mr. Sofiyanski said he will try to clearly define the party's objectives and the relations within the party and with its coalition partners. Mr. Sofiyanski recently lost his job as boss of the Posts and Communications Committee, following his participation in an anti-government rally, sponsored by the SDS. The leader of the party so far, Mr. Stoyan Ganev, was among the five candidates for the post. Mr. Ganev, former foreign minister in the Filip Dimitrov government, was not present at the forum. In his capacity of foreign minister, last autumn he took over as president of the UN General Assembly. On several occasions, Mr. Ganev sharply criticized ex-Prime Minister Dimitrov, stirring up controversies within his party and between it and the coalition.

Since Friday [14 May] afternoon, the number of Serb nationals entering this country through the two border checkpoints in northwestern Bulgaria has been rising, the officers on duty report. 3,360 passengers, mostly Serbs, crossed the border through the Vrushka Chuka and Bregovo checkpoints on Friday and Saturday, May 14 and 15, and as much did so on Sunday, May 16. 3-km. queues are stretching at the ferryboat checkpoint near Vidin on the Danube. [passage omitted]

Klaus Views First Quarter Economic Problems

AU1805111193 Prague CESKY DENIK in Czech 14 May 93 pp 1, 13

[Article by Prime Minister Vaclav Klaus: "Our Disquiet About the Economy's Results in the First Quarter"]

[Text] In April 1992 I quietly announced that we had reached the bottom of economic decline. The figures for the third quarter of 1992 indicated an increase in our gross domestic product [GDP] by roughly 1 percent and, for the fourth quarter, by 3.6 percent. All the signs were that we would start 1993 on a course for economic growth, albeit at a gentle pace. The first preliminary figures indicate that this has not happened. Let us try to say a few words about this on three fundamental levels:
—is this in fact true or—alternatively—are the statistics giving us a reliable picture of our situation?
—if this is true, what has caused it?
—what can be done in the short and medium-term?

The recent deliberation by several government members about the quality of our statistics has provided the opposition with an opportunity to accuse the government of wanting to manipulate the figures. This is, of course, an absurd accusation. We are concerned that the statistics—which in the past amassed a stable set of figures from hundreds or thousands of enterprises (moreover, in a situation with more or less fixed prices)—are not capable of reflecting the current situation with the tens or hundreds of thousands of economic entities that are established and fail during the period monitored (under conditions of changing prices, which is always a major problem for statistics).

In my opinion, the questions about the quality of the figures are perfectly legitimate. An economist will even add his professional doubts to this, doubts based on the conflict between the traditional inputs and outputs relationship and the untraditional relationship indicated by our figures.

It generally applies that output (for instance, GDP) is generated with the assistance of individual inputs (let us call them Ii) and the efficiency with which each specific input is utilized (ei); if we express this schematically we get GDP = Ii.ei.

In the short term, the efficiency of utilizing individual inputs (sources) is mostly very stable, if not constant, and, therefore, in Western countries—for example—the first information about the economy's development is extracted exclusively on the basis of knowledge about select, easily measurable, inputs (consumption of electricity, gas, cement, the labor force, and so on) and then later—with a major lapse of time—it is extracted on the basis of detailed statistical analyses of output in a large number of enterprises. This is where we come across the stumbling block.

The statistics for outputs during the first quarter of 1993 indicate a decline (these are, moreover, complex figures calculated in terms of prices), but certain select figures for inputs (kilowatt hours of electricity, cubic meters of natural gas, tonnes of cement, the size of the labor force) indicate—on the contrary—an improvement. Either it is possible that some of these figures are wrong (and here I would say that this is more likely to apply to the figures on output) or there has been an extraordinary decline in the efficiency of utilizing individual sources (workers are "dawdling" more, light bulbs are burning more, and equipment is idling more than a month ago), which seems to be somewhat at variance with the prevailing trend in our country.

For this reason, certain doubts about the quality of the figures are appropriate and have nothing whatsoever to do with the government manipulating them.

Despite this, let us concede that there has been a disagreeable decline. Why?

It was certainly not caused by the development of a bottleneck on the supply side; there was no decline in supplies of key raw materials, fuel, or energy. The "blame" undoubtedly lies on the demand side. Without conducting a too specialized economic analysis here, we have to say the following:

—retail turnover has stagnated (rather than declined), so consumers have not caused the decline in demand. However, it is possible that they are diverting their purchases—more than would be healthy—toward imported goods (and, consequently, away from domestic goods), which is—in view of the indisputable increase in imports—one of the possible explanations (although only a partial explanation;

—exports (with the exception of Slovakia) have also stagnated, so the surrounding "world" could not have caused the decline in demand for the Czech Republic's products;

—during the period of uncertainty surrounding the division of the state and the currency, there was a decline in domestic investment; this ties in with the expectations associated with the bankruptcy law. Nevertheless, investments amount to only one-sixth of overall demand and, therefore, their manifest decline (with all the previous statistical question marks) of roughly 7 percent cannot explain more than 1 percent of the decline in GDP;

—the decline in exports to Slovakia, which is not at all negligible, is left. Last year this element of demand represented roughly half of domestic investments or one twelfth of overall demand. The decline in exports in the order of 40 percent (again a contentious figure) may play a several-percent role in the decline in overall demand.

It is apparent from what I am saying here that an explanation for the possible decline in our product is possible from the economic point of view and that there has been no illogicality. The figures for the coming months will, undoubtedly, tell us more.

What Could Be the Solution

1. For consumers to start saving less and buying more, preferably domestic and not imported products.

2. For the world, and especially Slovakia, to buy more of our products.

3. For the enterprises to invest more in immediately productive equipment and machinery, that is, not only in computer technology, office furnishings, and luxury cars. Without a doubt, for this they require a more accommodating policy from the banking sector and lower interest rates.

4. For the state budget, on the basis of stabilizing the annual flow of revenue and expenditure (following the fundamental change caused by tax reform), to maintain a balance in the state's finances and not to have to guarantee a temporary surplus against unexpected fluctuations.

These spontaneous and rather inertial processes do not give us much chance of changing anything in the short term, I mean within the current quarter. I see us having a better chance in the second half of the year.

Dlouhy Satisfied With U.S. Trade

LD1805082393 Prague CTK in English 0724 GMT 18 May 93

[Text] Washington May 18 (CTK correspondent)—Czech Industry and Trade Minister Vladimir Dlouhy expressed satisfaction today over the development of trade between Prague and Washington following the United States' granting of most favoured nation trading status to the Czech Republic.

Dlouhy, who is on a three-day working visit to the United States, made his comments on Monday after talks with American deputy trade representative Rufus Yerxa. He said trade between the two countries was increasing, though he noted that Prague had a trade deficit with Washington.

Dlouhy noted the United States' support of the Czech Republic and Slovakia in assuming the former Czechoslovakia's membership in the General Agreement on Tariffs and Trade (GATT). He also thanked the United States for extending preferential trade status to Prague. Dlouhy said certain problems regarding the export of Czech textiles remained, but he added that an American delegation would travel to Prague today to extend the current trade regime for Czech exporters until May 1994.

Dlouhy also spoke to Yerxa about the Czech Republic's problems in gaining access to West European markets. He said the American deputy trade representative offered America's firm support in this area.

The Czech industry and trade minister said the Czech Republic would be prepared for full European Community (EC) membership in 2-3 years. He added that the EC, however, would not be ready to accept Prague at that time and noted that the biggest problem for Prague in the meantime would be gaining access to West European markets.

Agreements With Russian Intelligence Official

LD1405122793 Prague Stanice Praha Radio Network in Czech 1030 GMT 14 May 93

[Text] Talks held between the Czech side and Yevgeniy Primakov, chief of the Russian Foreign Intelligence Service in Prague were surprisingly frank. This was related to CTK today by Jan Subert, the press spokesman of the Interior Ministry.

The two sides agreed on certain concrete measures concerning information communications [informacni komunikace] between the Czech and the Russian intelligence services, and also agreed on a certain amount of cooperation between the two services, he said. This cooperation should concern the prevention of illegal proliferation of technologies and components of mass destruction weapons and the combatting of illegal transfer of strategic weapons.

No agreements dating back to the era of previous governments, let alone previous regimes, or agreements with security services in the post-November period are envisaged during Yevgeniy Primakov's visit, Jan Subert said.

State Debt Amounts to 160 Billion Korunas

AU1505175293 Prague HOSPODARSKE NOVINY in Czech 13 May 93 p 2

["pra"-signed report: "The Czech Republic's Debt Corresponds to Reality"]

[Text] The Czech Republic's Finance Ministry will issue state bonds amounting to 16,802 billion korunas. This will be possible due to a bill that was discussed in the Budgetary Committee of the Chamber of Deputies yesterday and recommended for approval.

The issuance of state bonds will cover the Czech Republic's 1992 deficit amounting to 1,697 billion korunas, and a proportional part (two-thirds) of the federation's deficit for the same period amounting to 4,667 billion korunas. Bonds in the amount of 10,438 billion korunas will be designated to pay off the debt to the Ceskoslovenska Obchodni Banka [Czechoslovak Commercial Bank] [CSOB]. The state incurred this debt after the CSOB transferred claims in inconvertible currencies, and claims and liabilities in convertible currencies, from central foreign currency reserves to assets and liabilities of both republics. The whole operation was expected to improve the liquidity of the CSOB, which represented

the state abroad in the past, and ran into economic problems by no fault of its own. All bonds will mature within 10 years.

Deputy Jiri Vackar (Liberal Social Union) said in a debate that another issuance of state bonds, and, consequently, rising domestic debt of the state, is to the expense of the future, and he described it as dangerous. Representatives from the Finance Ministry said regarding this subject that after two-thirds of the obligations of the federation were taken over, the Czech Republic's debt rose from 15 to about 160 billion korunas, which is about 22 percent of gross national product. According to the Finance Ministry, this relative debt is quite acceptable when compared to a number of advanced countries.

First Quarter Foreign Investment Figures

AU1505183493 Prague HOSPODARSKE NOVINY in Czech 13 May 93 p 11

[Hana Piskova report: "Direct Foreign Investments in the Czech Republic"]

[Text] The overall amount of direct foreign investments in the Czech Republic in the first quarter of this year amounts to—according to the Czech National Bank—8.8 billion korunas, which is $302 million. Compared with the same period last year, this is an increase of almost 31 percent.

The main source of the influx were continuing payments by the American firm Philip Morris for the acquisition of Tabak Kutna Hora, to the overall amount of 5.7 billion korunas. According to previously published information, the firm's overall investment should reach $420 million. The greater part of these funds have already been paid. In the period under consideration, a number of new joint ventures began their activities (for instance, the top French firm in packaging technology, Pechiney, joined its efforts with the Strojobal Hradec Kralove, and the Norwegian concern Rieber & Son began streamlining production in Vitana Bysice. Other enterprises were fully bought by foreign firms and transformed into branch companies (for example, the firm Ferodo from England bought the chemical enterprise Osinek Kostelec, Unilever from Holland has included Povltavske Tukove Zavody in its entrepreneurial structure, Swedish-Swiss concern ABB bought Elekrotechnicke Zavody Brno, etc.) Direct sales of Czech companies are very sought-after, since the foreign owner brings his tried-and-tested system of management into the company, appoints its representatives at the head of management, and, possibly, selects and trains Czech specialists.

Joint enterprises in the building industry maintain their good level, while more capital investments are still flowing in, particularly into cement factories. As a consequence of pushing for structural changes by foreign investors (or owners), the number of companies oriented toward trade activity or services are increasing.

There is a quite different development of activity in different enterprises and sectors. The sector structure that is being created corresponds to this fact. The largest share in the influx—with the exception of the tobacco industry—was recorded in the building industry (10.8 percent) in the first quarter of 1993, banks (5.8 percent), food (5.5 percent), and trade (5.1 percent). From the territorial viewpoint, the influx of capital prevails from the United States (70.3 percent), followed by France (7.1 percent), and Germany (5.7 percent). Among other investors, it is worthwhile to mention Italy, Switzerland, and Sweden.

From 1990 until 31 March 1993, the overall growth of capital invested in the form of direct foreign investment in the Czech Republic reached 53.7 billion korunas, which is $1.868 million.

Investment went mostly to:
—the tobacco industry, glass processing industry, and production of non-alcoholic beverages ($504 million);
—automobile industry and production of transportation equipment ($423 million);
—food industry ($190 million);
—banking ($178 million)
—chemical industry ($111 million).

In the territorial structure, investments from Germany prevail ($600.5 million—32.2 percent), second place is taken by the United States ($550.2 million—29.5 percent), and France is third ($256.6 million—13.8 percent). Austrian investments reached $81.7 million on 31 March 1993, which is only 4 percent of the entire influx. Austria is not taking part in larger actions, for the time being.

Meciar Stresses Restructuring Enterprises

LD1605201693 Bratislava STV 1 Television Network in Slovak 1710 GMT 16 May 93

[Regular Sunday television address to nation by Prime Minister Vladimir Meciar—live or recorded]

[Excerpt] [passage omitted] Before the elections, we promised that we would experience blood, sweat, and tears together, that the basic task which we must solve is that of halting the decline of the Slovak economy. Today we are coming to the concluding phase. We only have to carry out the last, but very significant steps on this path. We are preparing, together with the parliament, together with the banks, together with scientific institutes, a concept which would mean the solution of several problems at the same time.

The first fundamental question is to ensure that money can flow with the circulation of goods, that money can make money, and that the shortage of ordinary production activity ceases.

The second important problem in this cooperation concerns writing off debts of enterprises. Seventy-three percent of industrial enterprises and over 50 percent of building enterprises demonstrate inability to pay. We cannot deepen this crisis any further. That is why we want to halt it.

We also consider it important that the smooth running of financial flows can be achieved, so that what is to belong to the state indeed belongs to the state. This will not be possible without much interference in financial discipline and in the structure of enterprises and businesses.

In order to cope with this complex step, the cooperation of several thousand people is required. The government will be in charge. But what is important for the harmony of the orchestra is that each member of the orchestra play his or her part perfectly. That is why it will be necessary to think about how to adjust to these steps, even at the enterprise level. In harmony with the amendment to the bill on bankruptcy, enterprises which cannot pay will be given the opportunity to accept plans which would restore them to a sound financial basis, which would either be approved or rejected, and thus they will also decide on their liquidation.

The actual restoration plan must be understood from a broader point of view. The government will approach these questions from a considerably broader point of view. We should not only discuss the solvency or insolvency of enterprises, because it can be temporary. Rather, we should discuss the possibility of whether individual enterprises are capable of producing results of work in the market and business conditions. That is why the actual notion of reconstruction of enterprises and preparation for it must start as early as today. This means that the enterprise must realistically assess its situation—above all, its financial situation—it must seek a plan of restoration for future periods, it must prepare a proposal for the creditors which would be acceptable to them. If it does not prepare it, the creditors have the right either to recall the leadership of the enterprise or to decide upon liquidation of the enterprise. There are numerous other powers that some leaders will have stemming from the bill.

The second significant question is that each enterprise should realistically assess its production program, to see if what it is producing is able to withstand competition and will be able to compete in the coming period as well. It must seriously consider the questions of the market: What kind of market it is acquiring, what kind of market it needs to acquire, how it wants to conduct business, and what structural changes it will unedertake to make itself competitive in relation to other business subjects.

Another important step which the enterprises must make is re-examination of investment programs with regard to future development which will take place not only in central Europe. It is taking place in the whole of Europe, which continues to be in the phase of a certain economic decline.

Of course it will also be necessary to weigh up the impact on employment which is of a regional character but which also affects enterprises. To ensure that we succeed in this task I appeal to representatives of trade unions, the Association of Industry, specialists from various branches, and the best people in enterprises: Speedily dedicate yourselves to preparing to restructure the enterprises, to turn them into enterprises of a market type, and to preparing and reassessing ownership relations, simply everything that would turn enterprises into entities capable of competing successfully in the future.

I also appeal to those who, in the banks and elsewhere, will undertake the task of overseeing this process. The state will also discharge its tasks through its branch ministries and so will the fund of national assets wherever its share-holding exceeds 34 percent. It is essential that we prepare ourselves very responsibly for this task.

Why am I talking about this? Because if we carry out this complicated operation, which is one of the most important in the period of stabilization, we will be able to halt the decline of the economy caused by internal reasons. In other words, the situation will not become worse. At the level we stabilize our economy, we will afterwards seek starting points from which to proceed in the period ahead, points that could come from outside. The very endeavor to bring about stability is determined by the success of this operation.

As for the timetable, the operation will start this month and could take a year to complete and in some instances even longer. This is, however, not a mere passive endeavor to halt negative development, for it is precisely during this restructuring and in searching for programs for the future period that it will be necessary to search for principles of restoring health to our economy and then invigorating it, as well as to seek out future activities and prosperity. Since enterprises alone will not be able to

cope with this task we will endeavor to direct regional institutions to ensure that they are able to accept the possible negative consequences of bankruptcies of those enterprises to which assistance could no longer be given. Losses which such enterprises are causing are enormous, and it is necessary to put a halt to them. [passage omitted]

Meciar Arrives in Washington on Unofficial Visit

LD1805084693 Prague CTK in English 0721 GMT 18 May 93

[Text] Washington May 18 (CTK)—Slovak Premier Vladimir Meciar arrived here last night to begin a five-day unofficial visit to the United States.

Meciar, who is accompanied by Deputy Premier Roman Kovac and State Secretary for Foreign Affairs Jan Lisuch, will meet with the executive director of the International Monetary Fund (IMF) Michel Camdessus, Senate majority leader George Mitchell, representatives of the Senate's Foreign Relations Committee and other politicians.

Meciar will also seek closer ties with U.S. President Bill Clinton's Democratic Party, which he says espouses the same philosophy as his own ruling Movement for a Democratic Slovakia (HZDS).

Before leaving for Washington, Meciar said he would be seeking answers to what the future organisation of the world will be, what its security systems will be, what international coopertion will look like and what Slovakia's place will be.

Slovakia has become a member of the IMF, though it has yet to obtain support for its economic programme due to Bratislava's budget deficit and its unwillingness to devalue its currency. The IMF neverthless approved a special 150 million USD [U.S. dollar] loan for Slovakia at its spring meeting.

Meciar told an interviewer from the American UPI press agency recently that he would consider his trip successful if people see that I don't eat small children and that I know how to use a fork and knife.

Minister Toth Says Deficit Remains Unchanged

AU1505182693 Bratislava HOSPODARSKE NOVINY in Slovak 13 May 93 p 1

[TA SR report: "Deficit Has Not Grown"]

[Text] "The Budgetary deficit has not grown in the Slovak Republic in April, and remained at 11 billion [korunas], which was the amount of deficit in March," Finance Minister Julius Toth said yesterday. According to him, at a meeting of representatives of banks they have reevaluated measures taken with respect to entrepreneurial entities. However, as he said, it will be necessary to adopt some legislative changes. According to Toth, applicable ministers are taking personal steps in enterprises that do not fulfill their obligations toward the state budget. He also said that we must expect more regulation of budgetary spending, since "spending cannot exceed income."

Conservative Democrats To Merge With ODSS

LD1505173393 Prague CTK in English 1646 GMT 15 May 93

[Text] Bratislava, May 15 (CTK)—An extraordinary congress of Slovakia's Party of Conservative Democrats (SKD) today approved merger with the Civic Democratic Party in Slovakia (ODSS), SKD Chairman Pavol Hagyari told CTK.

The future party will give priority to the implementation of a radical economic reform in Slovakia, integration of Slovakia into pan-European economic and security structures, and cleansing of state bodies of people discredited by cooperation with the previous communist regime, Hagyari said.

The SKD proposed that the new party be called the Conservative Democratic Party.

The new party will submit its own economic programme for Slovakia and build a firm organisational structure throughout the country within one month after the merger congress, due in Liptovsky Mikulas, central Slovakia, on May 30, Hagyari said.

Today's SKD congress was attended by ODSS Chairman Jozef Bednar.

The SKD was founded in December 1992. Its members include former Czechoslovak Interior Minister Jan Langos and Slovak Privatisation Minister Ivan Miklos. They had been members of the Public Against Violence (VPN) Movement, the Slovak counterpart of the Civic Forum (OF) which took a major share in the fall of the communist regime in Czechoslovakia in late 1989.

The ODSS was established at the beginning of 1992 as a Slovak branch of the present Czech Premier Vaclav Klaus's Civic Democratic Party (ODS). The ODS is a successor to the OF.

None of the two parties is represented in the Slovak Parliament.

Jeszenszky Denies Intent To Buy Missiles

LD1405213993 Budapest Kossuth Radio Network in Hungarian 2000 GMT 14 May 93

[Text] On his return from Strasbourg, [Foreign Minister] Geza Jeszenszky briefed the press at Ferihegy Airport. Katalin Tasi reports:

[Tasi] Foreign Minister Geza Jeszenszky denied that Hungary is holding talks on purchasing antiaircraft missiles. Of course, they have been coordinating with NATO representatives, for instance, and other Western and overseas politicians, but the above-mentioned arms purchase is not in Hungary's intention. Furthermore, the foreign minister also rejected speculation that he will try to exercise pressure saying that the Hungarian National Assembly is not certain to continue to approve the flights of AWACS planes across Hungary.

If I wanted to exercise pressure in this manner I would have no place in the Hungarian foreign minister's chair. This is a misjudgment of Hungarian foreign policy, the minister said in reply to a journalist's question. Then he confirmed that for our country the NATO Copenhagen statement provides indirect protection. It says that NATO regards the security of the region as a vital interest. It also gives a sense of security that the AWACS planes which are carrying out the supervision of Yugoslav airspace are flying across our country. It is the UN Charter that provides guarantees for us. NATO cannot do this directly, because we are not a member.

Geza Jeszenszky referred to the fact that Monday he will meet NATO Secretary General Woerner in the NATO headquarters. However, this trip was arranged months ago, thus he is not going to Brussels to buy missiles.

Finance Minister on Economic Program Changes

LD1705183793 Budapest Kossuth Radio Network in Hungarian 1307 GMT 17 May 93

[Speech by Finance Minister Ivan Szabo to the National Assembly in Budapest—live]

[Excerpts] Esteemed Mr. Speaker, Esteemed Fellow Deputies: As you have probably been informed from the press, television, and radio, I have participated recently in various meetings of the international economic world and held talks with, among others, the IMF, the World Bank, the European Bank for Reconstruction and Development [EBRD], and other organizations. I would like to inform the National Assembly and the esteemed citizens on the situation that has evolved and the parliamentary work to be done as a result of these talks, so that they can see one of the leading motives of the coming weeks in its context. [passage omitted]

Hungary has not only fulfilled but has surpassed almost all of the points of the agreement with the IMF. Foreign currency reserves are several times higher than set by the agreement. The current account has been steadily positive, foreign investments have been flowing into the country undisturbed—more to our country than to the entire region altogether.

There is only one fact that offsets this; namely, that the budget deficit reached the level of about 7 percent of the GDP. I would like to make the National Assembly and all the citizens of Hungary understand that it is not the IMF that imposes a specific scope of activity or limits on us. It only provides an external, objective judgment. [passage omitted]

I would like the National Assembly to clearly understand that—in complete concord with the IMF—equilibrium and inflation are not the number one priority of Hungary today; growth and its prospects are. It has become clear to me that the IMF is primarily interested, not in the size of the deficit in absolute terms, but in its internal structure. They thought that Hungary has, in the past, been the only country in the region where social, welfare, and social insurance expenditures and support for self-governments has increased too much, slightly adjusted to inflation.

I have to remark that social insurance does not appear directly in the budget, but in the total state finances. From this point of view, it is very important that the social insurance elections to be held on 21 May create a new consulting and negotiating partner of the government and the National Assembly. [passage omitted]

At the same time, the IMF was of the view that support for investments—and, within this, investments in infrastructure—the support in the interest of growth is low, and [passage indistinct] more support has to be given to small and medium-scale enterprises.

Esteemed fellow deputies, this way of thinking is the same as ours. It starts with the point that a further increase of the budget deficit—if we cannot stop on this path—will endanger or can endanger the country's economic growth, the expansion of production, and, through this, the country's standard of living. [passage omitted]

If we want economic growth, we have to give impulse to our activity in three directions. We have to take resolute measures in the field of cutting back expenditures. On the other hand, we have to extend sources of revenues. The third measure is to give preference to the economy, the growth of the economy. According to this, in June, in the worst case—presumably stretching into the first session in July—we intend to submit a package to the National Assembly and ask that the National Assembly and the population of the country treat this package very much as an integral whole. [passage omitted]

I would like to outline the basic principles of this package. The main basic principle and priority of it is to create a scope for the economy and its growth. No doubt—in addition to the positive steps and the steps

that are to promote growth—it means an extra burden on society. [passage omitted]

We do not wish this because, in our opinion, we cannot place an additional burden on people who are pushed to the periphery of the society. [passage omitted]

We would very resolutely and strongly like to slow down the speed of a further deterioration of the situation of the middle class. [passage omitted]

Considering all this, I will soon submit to the National Assembly the supplementary budget for 1993. I would also like to inform you that this supplementary budget is practically nothing else but a final authorization of the outcome of the agreement with the Interest Coordination Council concluded at the end of last year. At that time,the Interest Coordination Council agreement envisaged extra expenditures of about 34 billion forints in the budget. [passage omitted]

The deficit of the supplementary budget will be submitted to the esteemed house with exactly 215 billion forints, instead of the originally planned 185 billion forints. It means a 6.8 percent deficit compared to the GDP.

A scope for change appeared to be more difficult in connection with the budget for 1994, regarding which Hungary had an earlier obligation that envisaged a deficit of 3.6 percent of the GDP for 1994. In our opinion, this did not reflect reality.

This is what our talks aimed at. Apart from the plans to reform, to consolidate state finances—which we had presented to the IMF—it is not realistic that this deficit could be codified next year at a rate lower than 5.6 percent. Practically, this means envisaging a 3 percent GDP increase in real terms, and it means that the absolute value of the deficit of the 1994 budget will be the same as this year's deficit.

I would like the esteemed house to know that this is a very tough condition, considering that there are duties in 1994 that Hungary cannot escape. To pay off state debts and our international financial obligations in one item together, we will need an extra expenditure of 55 billion forints next year. We have to add an environmental and reconstruction expenditures of about 6 billion forints, which is meant to cover the expenses of the rehabilitation of the Gabcikovo monster in its original state. These are obligatory items.

All in all, apart from this, extra costs have to be itemized that no one can escape due to priorities. Specifically, an additional sum of 21 billion forints is earmarked next year for reorganization, agriculture, state contributions to investments, and support for housing. Altogether, these represent 82 billion forints in obligations, in comparison to the present year. We must find the resources to finance them. [passage omitted]

This is why we are going to submit bills to the esteemed house within the package plan, which will adjust both the extra costs and the incomes to this economic necessity. One of the most painful of them is that the state budget does not provide a possibility for the parliament to fulfill its duties in relation to the Law on Civil Servants. It seems to be necessary to delay this law, which involves about 45 billion forints in one year.

At the same time, I have the honor to report to the National Assembly that I will present a bill to the National Assembly that allows some scope for resolving this problem. Without other consequences—taking into consideration the judgment of the international financing situation as well—we would like to provide legal guarantees for the local self-governments that will be able to cover the obligations of the Law on Civil Servants in 1994, either from their own resources or credits, to return their costs. [passage omitted]

We are not going to create opportunities for tax and other concessions in various categories. However, in a statutory manner, we will provide 100 percent compensation for those whose income is below 10,000 forints a month, for their share of the extra burden on their consumer commodities basket—be they pensioners, the unemployed, or those who are employed. [passage omitted]

I am reporting to the house with respect that we will make this possible through changes in the tax base for these people. Both private companies and the state will implement pay increases, because we will make the reduction of the tax base possible in proportion to the pay increases they implement in order to allow them to make the pay increases.

In the pay categories between 10,000-20,000 forints, a gradually reduced compensation will be introduced, and above 20,000 forints we have no plans for any compensation.

All those bills that treat the various levels of the problems of various groups in society on the basis of needs—in line with the basic tenets of the Social Law adopted last year, rather than on the basis of constitutional rights as citizens—will be placed before parliament.

Within this framework, we wish to settle the long-debated and long overdue problems of family allowances and other problems usually referred to under this category. We also wish to settle personal income tax in this framework in such a way as to ensure tax-free incomes up to around the minimum income of 120,000 forints. [passage omitted]

At the same time, we do not wish to grant this tax-free amount to those on higher earnings. [passage omitted]

In the case of other, non-wage provisions, we are again going to give priority to the principle of needs, rather than statutory rights [passage omitted]

What can we provide for the economy within this framework? Before everything else, and as a priority, I would like to deal with the question of small-and

medium-size enterprises. It is quite obvious that, for the solution of the problem of unemployment, these are the categories where we can hope for reductions in unemployment in the event of economic growth. [passage omitted]

Small- and medium-size companies—according to data from earlier years—absorbed 60-65 percent of the available labor force [passage omitted]

Obviously, we have to ensure here that interests in the black market should come to an end, and we have to create incentives for employing the unemployed and those who would assist the growth and advance of small- and medium-size enterprises.

The other question that was central at every level and every forum is the need to solve the problems of the consolidation of the system of providing loans. The question here is not only that of removing from the banks the poor portfolios; the banks themselves should be brought into suitable forms for privatization. Their profitability should be restored. As the deputy president of the World Bank, Mr. Palvitt, said: They are only interested in the strong advance of the consolidation of the loans system if this is accompanied by the reorganization of companies that are involved in the bad debts. So the World Bank program is a program for clearing up the portfolio of the banks and the simultaneous reorganization of companies. The World Bank will finance this for us, and this is the reason why it was essential that we reached an agreement with the IMF, which was a precondition of the World Bank. [passage omitted]

I am reporting to the esteemed house that, in line with our earlier promise and intentions, we are going to propose that beginning 1 January 1994 the compulsory payment by companies as contribution to the Technical Development Fund should come to an end. We are doing this without intending to reduce the total of the funds for innovation. We wish to reduce the burden on companies in this category.

Finally, we would like to give a clear sign to the economy that these reforms serve economic growth and, through this, serve the reform of the budget to ensure that the economically active sector should not be the main one carrying the burdens in this country. Even if it is minor, we would like to send a message to the economy by announcing that we wish to reduce the rate of the corporation tax from 40 percent to 38 percent beginning 1 January 1994 [passage omitted]

Esteemed house, I feel that the Hungarian economy and Hungarian society has reached a very clear and very important junction. After climbing a long and very difficult path, we have reached a plateau. We have a large rock face ahead of us. We have to choose whether to climb it or not. [passage omitted]

Now, when you open this package to look for its components, you will find there fewer sweet than bitter pills . [passage omitted] There is something that is much more important, however, and here I quote Koelcsey [19th century poet]: The country is before everything else.

Free Democrat Chairman Views Party Issues

AU1405161493 Budapest MAGYAR HIRLAP in Hungarian 13 May 93 p 5

[Interview with Ivan Peto, chairman of the Alliance of Free Democrats, by Attila Farkas; place and date not given: "The Chairman Is the Party's Number One Person"]

[Text] I do not think it is necessary for the chairman to be the party's list leader at the elections. However, until a formal decision is made on this, the chairman is the party's number one person, according to Ivan Peto, chairman of the Alliance of Free Democrats [SZDSZ].

[Farkas] At the deputies' meeting in November 1992, you were elected as the SZDSZ's chairman for two years. It is customary for the "first man" to lead the party in the elections but—according to information received by NEPSZABADSAG—it has now been suggested that Gabor Kuncze will be your list leader.

[Peto] It is true that I was elected chairman for two years. It is also true that we will eventually have to draw up the party's list of candidates for the elections; however, this will not be now, but after the extraordinary meeting of delegates, probably in the autumn. It has not been suggested that I should not be the first man in the SZDSZ. This is what I can say to your question. Speculation often appears in the press, but some of it does not come true.

[Farkas] How would you describe the SZDSZ's situation in the period since your election as chairman?

[Peto] If I look at the time left until the elections, I find the SZDSZ's position definitely good. Public opinion polls indicate that the SZDSZ has become a settled and attractive party over the past six months. This is progress compared with the past when the SZDSZ was seen as an unpredictable and hectic organization. The public opinion polls show that very many people who are committed to other parties find the SZDSZ to be the second most attractive party. There are very few people who would definitely not vote for the SZDSZ and, in addition to our committed supporters, many other people see the SZDSZ as suitable for government. Starting from this position, we can achieve a considerable advantage over the rest of the year.

[Farkas] However, according to the data, you can expect 8 to 10 percent of the vote.... Can this be increased considerably?

[Peto] A few months before the 1990 elections, the SZDSZ had been on 4 percent, but it did not perform badly at the elections. A serious person cannot think that the current public opinion poll data—which refer to the primary support of the parties—reflect the election

results. In my view, this is equally true for the Hungarian Socialist Party [MSZP], the Hungarian Democratic Forum [MDF], or the Federation of Young Democrats [FIDESZ]. These parties have very similar chances. In light of this, I do not think that our current results are tragic, but I would add that the SZDSZ will have to improve a lot between now and the elections.

[Farkas] Do you find it disturbing that the SZDSZ has recently been defined in relation to the FIDESZ and the MSZP among the opposition parties?

[Peto] I do not think that this is a general view. The FIDESZ made some attempts at this but it has stopped now. Our agreement with the FIDESZ ensures a framework of cooperation. At the same time, the SZDSZ is proud to call itself a social-liberal party, meaning that, in addition to its basic liberal principles, it also wishes to give ample room to social viewpoints. The SZDSZ does this with the conviction that the emphasis on social viewpoints does not put us on the same platform as the MSZP, but rather it indicates that the representation of social viewpoints is not the sole preserve of the Socialist Party.

[Farkas] However, many people indicated—including [MSZP Chairman] Gyula Horn in an interview to MAGYAR HIRLAP—that [FIDESZ Chairman] Viktor Orban forced the FIDESZ-SZDSZ agreement because he was worried about the SZDSZ getting ever closer to the MSZP....

[Peto] Anyone who judges a party based on the statements of other parties' leaders is wrong. Naturally it is important for parties to express their views on other parties and increase their own importance and chances through this. However, people who are generally informed know that the views of Gyula Horn, [MDF Chairman] Jozsef Antall, Viktor Orban, [Christian Democratic People's Party Chairman] Bela Csepe, or [Independent Smallholders Party Chairman] Jozsef Torgyan are not the truth in themselves but a representation of the truth from that party's view. For a long time now, the SZDSZ has maintained that its relation with the FIDESZ is clear and the two parties should work together if possible. The FIDESZ's, rather than our, attitude has changed in this respect. The assumption that the FIDESZ is able to influence the SZDSZ to such an extent that "it is because of its cautioning that the SZDSZ has not embraced the MSZP" is completely childish.

[Farkas] Recently, we have mostly heard about the SZDSZ's activities in connection with the preparations for the elections....

[Peto] Although we are dealing with the issue, direct preparation for the elections is not the focus of the SZDSZ's activities. We are preparing for an extraordinary meeting of delegates where an analysis of the current political situation, amendment to the statutes, and entry to the Liberal International will be the main items on the agenda. In addition to this, work in Parliament and local governments is a major part of our tasks.

[Farkas] Will the preparation for the elections be influenced by the instructive debate on the Hungarian-Ukrainian basic agreement in the coalition?

[Peto] I cannot link this issue to the elections. The debate and the voting showed that the MDF's division can also come to the surface on fundamental issues. It was also shown that this group—which is hard to define because people who do not identify with one another belong to it—that opposed the agreement is only strong in terms of the noise it makes.

[Farkas] Do you think it is necessary for the party chairman to lead the SZDSZ's list at the elections? If a different decision is made, could the 1990 event be repeated when the then party chairman Janos Kis did not enter the elections and it was not clear who the party's leader was. However, according to our information, you wish to run in an individual electoral district....

[Peto] I will probably run in the elections, and it is certainly out of the question that—as Janos Kis did—I would not enter the elections at all. I do not think it necessary for the chairman to be the head of the party's list at the elections. However, until a formal decision is made on this, I am the first man in the party and the likely candidate for the position of list leader.

Prime Minister Suchocka Addresses Nation

LD1705194093 Warsaw Radio Warszawa Network in Polish 1759 GMT 17 May 93

[Speech by Prime Minister Hanna Suchocka in Warsaw on 17 May—live or recorded]

[Text] Good evening, ladies and gentlemen: I know that many of you are disturbed by what is currently taking place in the country. I have the same feelings. Strikes and protests are always disturbing. It so happens that we pass through a wave of protests by various professional groups every few months. Unfortunately, it is the case that the conflicts always accompany deep changes.

Such transformations—often painful—have been taking place in Poland for a few years now. We all remember how dramatically difficult was their beginning. Today, we know better what an enormous amount of work we had to and must now carry out to transform Poland, in order to build a healthy economy. Every government must do this, for this is a matter of Poland's position for today and tomorrow. It is a matter that concerns the future of all Poles.

Until now, fortunately, we have—albeit with costs that are not all small—overcome the barriers on this road. It has also been possible to resolve the conflicts bursting out in different parts of the country. A good recent example is Walbrzych. It would be an unforgivable error if now—when we probably have the most difficult part behind us—there were to be a slide by Poland away from its chosen path.

How do I see the situation today, the situation of the latest conflicts? Demands are being put forward today by many worker groups. We all know the situation in the health service, in education, and in culture. I understand very well the wage demands of these groups. Nonetheless, it is a bad thing when the costs of the conflict are borne by patients and pupils. The conflict over wages is not a conflict between the budgetary sphere and the government. This is a conflict between the budgetary sphere and the budget, with a budget that is not well and that reflects the state of a still weak, albeit improving economy.

The wage demands are claims against the collective coffers of all citizens. These coffers, despite high taxes, are still poor and will not be able to bear the additional payments that are being demanded of them at the moment.

The government has taken steps in order to improve tax and customs duties collection. The first results of these steps can be seen. However, it is deceptive to expect that the Treasury will fill up immediately as a result of these actions.

What can realistically—not just seemingly—be done? First, I confirm once again my earlier assurance that all surpluses of this year's budget will be earmarked for education and health service employees. The April results initially indicate that it will be possible, if we do not inflate the budget with irresponsible decisions. The second important matter is that there will not be a possibility to clearly improve teachers' and doctors' wages without reform in the education and the health service. These reforms are also vital to improve the quality of the service in these areas for all of us.

I confirm once again that the government is open to talks with trade unions on problems of the budget-financed sector. These kinds of reforms have lasted in other countries for years. We have to do it much more quickly, because time runs faster here.

The government has initiated work on changes in the education and health service and has done so from the very beginning. It has gathered speed in recent months. Here is the key problem: the problem of the agreement with the trade unions. I must admit it is not easy. One cannot seriously talk about wage increases without thinking about reforms. The government I am leading has been, since the beginning, of the opinion that Polish problems must be solved through talks—taking into account the present situation.

I would like to stress here that we—together with the trade unions—have spent hundreds of hours and have been working out the State Enterprise Pact with difficulty. Paradoxically, protest actions and strikes escalate, and one of the Pact signatories has announced a no-confidence motion when the bills connected with the Pact come to the Sejm. I must say that this is difficult to understand.

The announcements of various groups are overlaid upon this. There are announcements of general strikes, overturning Parliament, and overthrowing the president and the government. We are facing a question: Will Poland be a stable and a quiet country, as it is perceived in the world, or will a political crisis shake it?

I am sure that the majority of us do not want this. It is a known fact that democracy ends when the street decides on the changing of the authorities. Four years ago, we changed even the previous undemocratic authorities in a peaceful manner by means of the ballot box.

Ladies and gentlemen. There is still a lot to be done in Poland, and it has to be done peacefully—irrespective of the sort of government that would rule here. I will point out several such facts.

First, there is a huge task ahead of us: the State Enterprise Pact. Employees in several thousand Polish enterprises will take part in deciding on the fate of their enterprises. This will introduce order in the situation of state enterprises, and it will improve the prospects and the feeling of security of people employed in them.

Second, more and more matters will be sent to local self-governments. People who are on the spot know best how to solve their own problems. At the same time, public administration reform will bring about a situation

in which the state and its services will become closer and friendlier to the citizens. We will introduce strictly defined principles for spending money for making public purchases. This is regulated by the law in many countries, and this is what is going to happen here. The issue is that every zloty paid by us to the common purse must be spent thriftily and under control.

Third, there are chances that the increase in unemployment will be stopped. In this respect, April was a good month. There was a fall in the number of the unemployed for the first time in three years. It is clear here that economic growth ceased to be merely a statistical issue, but it bore fruit in new jobs. The state will engage more actively in the fight against unemployment, especially in those areas where recession hit hardest. These areas will also become the main arena for putting industrial policy into action.

Fourth, I have already spoken about the reform in the education and health service. I stress once again that the government has a concrete proposal in this respect.

Fifth, there is the issue of an overall system of social insurance. It cannot be that the structure of disability and old age pensions be changed because of the day-to-day political games in the Parliament. In other countries, such systems are constructed over a dozen years or so. They are stable because they must be stable when the issue is the social security of every person. The law recently adopted in the Sejm introduces bad and unworkable solutions. It will not improve the lot of the pensioner. This problem must be resolved. That is why we will present for public debate a proposal for a coherent system of social welfare insurance that will be resistant to political tremors.

The first discussions on the budget for the coming year will soon take place. Breaking with prior practice—with much notice and according to a new procedure—we are already commencing work now on the future budget. The point is for it to be as well-arranged as possible.

There are more such important matters. To implement all this, a lasting accord is required within the country. That is why it is so strongly stressed from the start that this government is a government of accord. We did not build programs on the criticism of our predecessors. I feel that parliamentary groupings ought to agree to a possible degree of accord, in order to implement the most important tasks for the country and in order to calmly and safely complete the reconstruction of the state and the economy.

Together with a political calendar reaching as far as the next elections, parties ought to mutually specify the principles and framework for a type of coexistence that would not be destructive for the country—a coexistence in which political competition would not constantly endanger with destruction all that Polish society has managed to achieve with such difficulty over the last three or four years.

Of course, competition between political groupings is a right of democracy. There is also a danger of destruction in this, however, if rivalry takes place with disregard to the realities and the most important interests of the country. Hence, it is very important to be able to come to an accord on fundamental issues.

Ladies and gentlemen, Polish transformations have been going on for almost four years. This is a difficult time for all of us, but we are moving forward. Today, the loudest people are heard the most. I turn, above all, to those of you whose voice is not heard, to those people who work normally and calmly. This is work that must continue irrespective of ambitions and political games. It is thanks to your effort that the Polish reforms are starting to bring results. This effort must be respected. Thanks to this effort, we have the opportunities for a better life. We have already passed down a long road. I trust that, together, we will overcome the present difficulties as well.

Solidarity Leader Comments on Speech

LD1705202993 Warsaw TVP Television Second Program Network in Polish 1900 GMT 17 May 93

[Remarks by Marian Krzaklewski, chairman of the Independent Self-Governing Trade Union Solidarity, NSZZ, in Warsaw on 17 May; relayed by TV Polonia Network—live or recorded]

[Text] I must frankly admit that those 11 minutes have not brought us together, to the understanding that we would expect. However, I still count on the confirmation that tomorrow will be a day for negotiations—a day in which we reach a consensus. We still await a phone conversation with government representatives. This conversation is to take place in keeping with earlier arrangements that specific possibilities of consensus would be clearly formulated—not necessarily in writing—in such a conversation tomorrow.

Solidarity Warns of No-Confidence Motion

LD1805090793 Warsaw PAP in English 0838 GMT 18 May 93

[Text] Warsaw, May 18—Should Tuesday's negotiations between Solidarity and the government fail, the union will oblige its parliamentary deputies to file a motion for a no-confidence vote against the Hanna Suchocka cabinet and will start preparing for a general strike, Solidarity leader Marian Krzaklewski told reporters Tuesday before the crucial meeting began.

Solidarity and government representatives, who started their meeting on Tuesday morning, will discuss demands of the striking public sector employees. The government delegation is headed by Prime Ninister Hanna Suchocka.

Mazowsze 'Solidarity' Calls For General Strike

AU1805113493 Warsaw GAZETA WYBORCZA in Polish 14 May 93 p 1

["amp, bc, krzem, wz,"-signed report: "Jankowski Takes on the Government"]

[Text] Maciej Jankowski, the head of the Mazowsze region "Solidarity" chapter, has announced a general strike for 20 May that is intended to bring down the government. The president will either create a government of experts, or he will also turn out to be superfluous, and that applies to the Sejm too, added Jankowski.

"Prime Minister Suchocka cuts a sympathetic figure. It is difficult to write off such a woman, but you can write off her government. In its present form, it has stopped doing anything constructive. It is solely preoccupied with remaining in existence and not with reforms," announced Maciej Jankowski, the head of the Mazowsze region "Solidarity" chapter, at a news conference on Thursday [13 May].

In his opinion, the new government should not be a coalition. The Mazowsze region wants a team of experts. It is being said in the Sejm that Mazowsze already has a list of candidates for the government. However, in a conversation with us, the regional leader denied that.

"I hope that parliament will be in a position to produce such a list; if it is not, then it will be the president's duty to see to it," Jankowski told us.

"If the president is not equal to the task, too, then it may transpire that he is also superfluous," he added.

In the event that Walesa's cabinet "should turn out to be a court clique," then, according to Jankowski, "he should be assigned a clearly defined sphere of activity."

A change of government is to be brought about by the general strike that Jankowski has announced for 20 May. "I still do not know how long it will last, but it will definitely last more than a day," said Jankowski.

The largest regional plants, such as the FSO automobile plant and Ursus, have already declared that they are ready to take part in the strike. Jankowski is sure that municipal transportation enterprises will also take part in it.

If the general strike does not bring down the government, Mazowsze will organize further protest actions "until they produce the desired result."

A government of experts, according to Jankowski, should take resolute action aimed at reversing recessionary trends and at the same time, arrest the increase in the cost of living by, for example, blocking price for fuels and energy until the end of the year. To reduce crime, Mazowsze proposes implementing "a special procedure for economic criminals and bandits." Jankowski did not explain what it should involve.

The Mazowsze leader is categorically opposed to the introduction of a value added tax this year. "No one understands it, including the treasury apparatus responsible for collecting it. The introduction of a value-added tax would inevitably result in total chaos in state finances," says Jankowski.

Mazowsze unionists are proposing a special debate in the Sejm on the state of the nation that will set the most important tasks for the government and the Sejm. "If the debate does not take place, that means that the Sejm is useless and only the president will be left," says Jankowski.

Speaking about Janusz Lopuszanski's (Christian-National Union) idea that the Suchocka team should be replaced with a coalition government consisting of the Christian-National Union, the Polish Peasant Party, the Confederation for an Independent Poland, the Center Accord, and the Movement for the Republic, Jankowski said "It is a joke, another version of the present, inept setup."

Prime Minister Hanna Suchocka, when asked about Jankowski's announcement at the airport on her return from Strasbourg, declined to comment. "Rumors about the formation of a new government appear every two weeks and whenever the Sejm meets. I myself know of several dozen people who, according to rumors, were to become prime minister."

On the other hand, President Walesa, who was also at Warsaw airport (he was returning from Portugal), said of the threat of a general strike: "I do not like ultimatums; whatever is realistic has to be done," and on the subject of a presidential government: "That option did exist, and it still exists, and if necessary I will apply it. That need does not exist at present. The prime minister is managing well."

Walesa Meets Members of Solidarity Group

LD1405134793 Warsaw PAP in English 1158 GMT 14 May 93

[Text] Warsaw, May, 14—President Lech Walesa met on Friday with a delegation of the presidium of the Solidarity parliamentary floor group headed by its Chairman Bogdan Borusewicz, Presidential Press Office announced on Friday.

The delegation asked the president for assistance in initiating talks between the government and the Solidarity leaders. The talks are to concentrate on the current situation in the country and the strikers' demands in the face of the necessary budget sector reforms.

After the meeting the president telephoned Prime Minister Hanna Suchocka who reiterated the government's readiness to continue talks and said she was going to invite the Solidarity leaders for a meeting next Tuesday [18 May].

Socialist Party Chairman Ikonowicz Interviewed

PM1705102793 Lodz GLOS PORANNY in Polish 10 May 93 pp 1, 2

[Interview with Piotr Ikonowicz, Polish Socialist Party chairman, by correspondent "A.G."; place and date not given]

[Text] [GLOS PORANNY] The fact that the Polish Socialist Party [PPS] and Social Democracy of the Polish Republic [SdRP] joined forces in a shared May Day celebration aroused much comment. Maybe we have seen the initial stage of the process of unification of the left-wing orientation?

[Ikonowicz] We already had one complete unification of the left-wing orientation, in 1948; however, that was neither a voluntary nor a fortunate development. Nevertheless, it is quite obvious that we should aspire to create a large political bloc of a left-wing nature within the next three or four years. Such a bloc would be united by our shared determination to introduce a left-wing model of political system in Poland.

[GLOS PORANNY] What does that mean: a left-wing model of political system?

[Ikonowicz] First and foremost it assumes development based on a mixed-economy model, without clear domination of the private sector. Such a development model was drawn up and elaborated by PPS theoreticians (including, among others, Oskar Lange) back in the late forties. Of course, it never had a chance of implementation, although in other countries—for instance, Austria—very similar tenets were put into practice and passed the test of practical application very well.

[GLOS PORANNY] Will the SdRP constitute an ally for your party as you strive to reach your objective?

[Ikonowicz] Certainly not in its entirety. And certainly not those SdRP leaders who have just negotiated an agreement with the Democratic Union as regards a scheme for aggressively promoting the universal privatization program. This is the fourth year that the Democratic Union has mistakenly assumed that it spoke as a representative of the voice of the whole nation. Recently they pursued this notion in an increasingly obvious alliance with a wing of the SdRP. This is nothing other than a continuation of [Labor Minister] Jacek Kuron's old plans to create a center-left orientation by throwing together the SdRP and the Democratic Union.

[GLOS PORANNY] Why does the PPS consider that notion such a bad idea?

[Ikonowicz] Such a center-left configuration would compromise the left-wing option in the eyes of the public for the second time. This would be because nothing could possibly change for the better in Poland during their rule. In any event, it would not be a genuine left-wing rule: It would be a supremacy of neoliberals.

[GLOS PORANNY] Who, in that case, could be an ally for the PPS?

[Ikonowicz] I will not deny that today we are concentrating our "game strategy" on the SdRP's left wing, on a part of the Union of Labor, and on the trade union movement. We would like to see a strong left-wing bloc emerge from such a configuration: a bloc which would be influential enough to stand a firm chance of winning the next election.

[GLOS PORANNY] Are you not personally uncomfortable about the communist past of many SdRP activists?

[Ikonowicz] These days, when I have meetings with enterprise work forces, I do not even bother to mention that I was once imprisoned for my involvement with Solidarity. Who could possibly be impressed with such a record? Workers who have to face the threat of unemployment today? We were not being beaten up by the police then so that we could watch people starve now.

[GLOS PORANNY] But do you or do you not want to fight today's threat of starvation along with former communists?

[Ikonowicz] Well, let me tell you exactly what we want, without beating about the bush: We want to be the party which finally does away with the division into "the Solidarity boys" and "the commies." This division is not useful to anyone any longer.

[GLOS PORANNY] This is more or less what Wladyslaw Frasyniuk said a while ago...

[Ikonowicz] ...in order to draw the SdRP closer to the Democratic Union. But that had nothing to do with setting up a left-wing political bloc.

[GLOS PORANNY] Thank you for talking to us.

Iliescu Toast to Belarus President Shushkevich

AU1505182893 Bucharest DIMINEATA Supplement No. 71 in Romanian 12 May 93 p 1

["Toast by President Ion Iliescu, at the Official Dinner Given in Honor of Stanislav Shushkevich, President of the Supreme Soviet of the Republic of Belarus, and Mrs. Stanislav Shushkevich, in Bucharest on 6 May 1993"]

[Text] Esteemed Mr. President Shushkevich, esteemed Mrs. Shushkevich, honored guests, ladies and gentlemen: On this occasion I want to greet your presence in Romania's capital and to express the hope that your visit will be productive and will conclude with significant results benefiting both our countries.

It is with pleasure that I recall the visit I paid to Minsk in July 1992, as well as the open dialogue I conducted with you.

The signing on that occasion of the Declaration on Mutual Understanding and Friendly Cooperation Between Romania and the Republic of Belarus marked an important moment for establishing relations between our states and peoples on modern, European principles.

Your visit is a natural continuation of the dialogue on issues that equally concern our countries in the period of transition to the market economy and the establishment of the state governed by law. I especially appreciate the amicable and comprehensive talks which we conducted today on developing bilateral relations and on the trend of events on the European continent, particularly in the area surrounding us.

The relations of understanding and mutual respect between our peoples have experienced an upward trend in the short time that has elapsed since the proclamation of state independence by the Republic of Belarus and the establishment of diplomatic relations between Romania and your country. Although they are not neighbors, the historic development of the Romanian and Belarus people has brought them closer in the name of their common ideals of national independence and sovereignty.

We have similar concerns linked to overcoming the crisis brought about by the totalitarian regimes in our countries, to the implementation of economic reform, and the consolidation of respect for human rights and of democracy in our societies. This has led to a real broad opening in our bilateral relations, along with efforts to link our states to European processes.

Romania's European pursuit, marked by the signing of the Association Accord with the European Community and the consolidation of links with NATO and the WEU, as well as the constant development of relations with the democratic forces in the Euro-Atlantic area and the constant strengthening of links until the future full integration of our country in these bodies, represents the basic orientation of Romania's foreign policy that enjoys the full support of all political forces in Romania. Similarly, along with these concerns, we are participating in implementing sub-regional cooperation projects, particularly economic cooperation in the Black Sea area, and in the cooperation projects of the Danubian countries.

In the very complex international situation in Central and East Europe marked—unfortunately—by the outbreak of armed conflicts and increased tension between certain states, Romania and Belarus have succeeded in being areas of stability and balance, something that makes our countries represent basic factors in the reconstruction of the security structures in this area as part and parcel of the edifice of security throughout the European continent. From this point of view, our cooperation has acquired a significance that exceeds the bilateral framework and has become an important element of the general effort to ensure our continent's spiritual, economic, and legal unity based on the characteristics of each nation.

Mr. President, I want to express my conviction that relations between Romania and Belarus, based on European principles, will intensify for the common benefit of our countries and will constitute a factor of stability and provide an impetus of cooperation in this part of Europe.

Permit me to toast: the progress and prosperity of the Republic of Belarus;

—Your health, esteemed President Shushkevich and esteemed Mrs. Shushkevich;

—The health of all those present here.

Trade Union Leader Praises Protocol

AU1505182793 Bucharest TINERETUL LIBER in Romanian 11 May 93 p 2

[Interview with Victor Ciorbea, president of CNSLR—National Council of Free Trade Unions of Romania, by Liana Buligan; place and date not given: "I Believe There Are No Reasons for Discontent"]

[Text] [Buligan] How do you assess the recent protocol with the government from the viewpoint of the trade unions?

[Ciorbea] From the CNSLR viewpoint, this protocol was a big gain, since it also solved certain older claims, like the one referring to the abolishment of the reference fund of salaries. The emergence of the new mechanism, namely the monthly admissible fund, enables the economic units to pay appropriate wages, by fixing a flexible and higher quantum. At the same time, this new mechanism has an inherent flexibility that allows it to also adapt itself to various situations that might arise and, what is more important, it represents an essential step forward toward salary decentralization.

Another gain refers to the institutions financed from the budget, which will benefit from two consecutive

increases: the new wage scale approved by the government, which will take effect in May, and the corrections to the Budget Law, which will take effect in June.

I emphasize the importance of guaranteeing the minimal salary, which is a two-year old trade union demand.

As you know, all the understandings reached are temporary, with their effects becoming apparent next July, when eventual corrections might become necessary, depending on the salary-prices relationship.

In our opinion, the provisions of this protocol reflect the maximal possibilities that the Romanian economy can offer at this particular time, therefore I believe there are no reasons for discontent. As a matter of fact, those who signed the protocol have certainly reached the same opinions, therefore they have no reasons for discontent, either.

Petre Roman Addresses FSN Conference

AU1505154593 Bucharest ROMPRES in English 1406 GMT 15 May 93

[Text] Bucharest ROMPRES, 15/5/1993—At the conference held Saturday, 15 May, by the coordinating council of the National Salvation Front (FSN) Bucharest section, FSN leader Petre Roman defined FSN as a political party in full process of transformation. In his opinion, FSN was "no aggregate of interests, but rather a project party treasuring ideas for the restructuring of Romanian society into a truly modern one." In that context, it was decided that the major target of the next extraordinary convention, due at the end of May [28-29 May], was the redefinition of the party's political and ideological option. Also then the proposal will be discussed of having the party's name changed to the Romanian Democratic Party (PDR). As arguments pleaded by FSN leader Petre Roman in favor of the change were, among others, the dynamic transformation of Romanian society and the need for a clearer profile in the European political spectrum.

FSN emerged on the day the communist dictatorship was toppled, 22 December 1989, as a heterogeneous group of personalities assembled to manage the country and fill in a sudden political vacuum, with Ion Iliescu as interim president of the FSN council and Petre Roman as prime minister until the first elections of May 1990. In February 1990 FSN was registered as a political party and won the 1990 elections. In the spring of 1992 FSN split into FSN, headed by Petre Roman, and the Democratic National Salvation Front (FDSN), led by Oliviu Gherman (currently also acting president of Senate.) In the September 1992 elections FSN obtained 10 percent of the votes and is now an opposition party, while FDSN won a majority that propelled it as ruling party.

Metal Workers Begin General Strike

AU1705155893 Bucharest Radio Romania Network in Romanian 1300 GMT 17 May 93

[Text] Since the collective labor contract on wages was not concluded at the level of groups of units, today a general strike began in the iron and steel and metallurgical sectors, said Ioan Homos, leader of the Free Trade Unions in the metallurgical and iron and steel industries, and sectors with continuous production—Metarom.

Beginning at 0700 [0400 GMT] the metal dispatch sections were blocked in the following companies whose trade unions belong to the Metarom Federation: The Hunedoara-Calan iron and steel combine, the Braila rolling mill, the Focsani rolling mill, Zalau Silcotuc, Iasi Petro, Ajud Metallurgic, Buzau Ductil, and the Calarasi iron and steel combine.

Similarly, the services sectors of these units are to go on strike tomorrow, so that losses registered in these units will be minimal.

Ioan Homos also specified that, depending on the decision of the general meeting of the employers' organization in the metallurgical sector that will be held tomorrow, and depending on future negotiations, we will be able to establish whether it is necessary for sectors with continuous production to join the strike.

Population Declining; Infant Mortality Rising

AU1705121893 Bucharest ROMPRES in English 0948 GMT 17 May 93

[Text] Bucharest, ROMPRES 17/5/1993—Quoting official statistics, the daily ADEVARUL shows that it is for the first time that Romania registers, during times of peace, a decrease in the number of its population.

The number of live-born children, for example, was in 1992 five percent lower than that of 1991 and 30 percent than in 1989. At the same time, the birth rate has continued to decrease, reaching a rate of 11.4 newborn children per 1,000 inhabitants, which sets again Romania on the lower echelon of the European standings. The infantile death rate also reached the alarming figure of 23.2 per 1,000 live newborn children, a level which goes 2-3 fold above the rates registered in the developed states. General death rate has increased in the past year with 0.7 percent. The negative demographic evolution of the past years is due especially to the serious economic and social crisis facing Romania at present, according to the daily ADEVARUL.

Bosnian Serbs Reject Peace Plan by '97 Percent'

AU1805085093 Belgrade Radio Beograd Network in Serbo-Croatian 0800 GMT 18 May 93

[Text] The data on the results of the referendum in the Serbian republic [in Bosnia-Herzegovina] about the Vance-Owen plan are being sorted out and will be presented to Momcilo Krajisnik, chairman of the assembly of the Serbian republic, who will convene the assembly meeting tomorrow. Assembly deputies will discuss the results of the referendum at the session. According to the first unofficial results, the majority of voters have voted against the Vance-Owen plan.

The SRNA Agency reports that according to the data received by the communal commissions for referendum in Modrica, Samac, Brod, and Derventa, the Vance-Owen plan in the form offered has been rejected by an average of 97 percent votes against. An approximately equal percentage of citizens voted in favor of an independent Serbian republic with the right to unite. The same source says that at the voting held in Frankfurt, as well as in Toronto, a huge majority has voted against accepting the Vance-Owen plan and in favor of the independence of the Serbian republic.

Assembly To Review Results

LD1705181093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1726 GMT 17 May 93

[Text] Belgrade, 17 May (TANJUG)—The Serb republic [in Bosnia-Herzegovina] assembly will hold a session on Wednesday 19 May at 1500 [1300 GMT] to review the referendum results, Momcilo Krajisnik, president of the Serb republic assembly, told Radio Politika today.

Commenting on unofficial estimates that 90 percent of the people who voted at the referendum opted for rejection of the Vance-Owen plan, Krajisnik said that the people's decision would be binding for the assembly.

"This means that we will have to reject the Vance-Owen plan, but we will not reject talks or negotiations, or initiatives to solve the problem in Bosnia-Herzegovina by peaceful means", Krajisnik said.

He stressed that the Serb republic assembly would also have to make a decision concerning the second referendum question that said that "the Serb Republic is an independent state which has the right to unite with other nations, republics, and states". Krajisnik added that "certain decisions concerning the independence of the Serb republic" can be expected in this respect.

The president of the Serb republic assembly noted that it had been agreed, without a decision by the assembly, to extend the referendum "due to technical reasons" in order to enable the Serb republic's citizens who could not vote on 15 and 16 May in Yugoslavia and other countries to vote. The assembly will have to confirm this decision on Wednesday [19 May].

Karadzic Bans Officers' Political Statements

LD1705183493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1811 GMT 17 May 93

[Text] Belgrade, 17 May (TANJUG)—In my capacity as supreme commander, I will soon issue an order banning all officers from making political or strategic statements because tactlessness in making statements can lead us into a disaster, Radovan Karadzic, president of the Serb republic [in Bosnia-Herzegovina], told SRNA today.

Commenting on his communique today, in which he expressed regret over the irresponsible statement by General Mladic carried by AFP, Dr Karadzic stressed that a battle is currently being waged in the world between "doves and hawks" on whether to bomb us or not, and that therefore "no one has the right to strengthen the hawks' arguments and bring us closer to a military intervention.

"The times are delicate, and statements cannot be casual or ill-considered," the president of the Serb republic said, quoted by SRNA.

Muslim-Croat Fighting in Mostar Dies Down

LD1805090093 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 18 May 93

[Excerpt] Thick smoke rising from several buildings along the Neretva river is a reminder of yesterday's fierce clashes in Mostar. Currently, the silence is almost deafening. The fighting died down around midnight when HVO [Croatian Defense Council] units completely blocked the Muslim attempts to penetrate the right bank of the Neretva river. HVO members rescued 35 civilians last night. [passage omitted]

'Tremendous Explosion' Shakes Mostar

LD1705182993 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 17 May 93

[Report by Slavko Rako from Mostar]

[Excerpt] The center of Mostar is enveloped in thick smoke, and strong explosions and infantry arms fire are echoing through the city as I file this report. Just after 1700 a tremendous explosion echoed through the city center, shaking all the remaining glass in the city and producing a column of smoke several hundred meters high.

Following the explosion, a public statement has been issued by the information service of the Croatian Defense Council [HVO] main headquarters. The statement says: The latest destructive explosion at the explosive and ammunition store in the city center at 1720 today shows how and to what extent the Muslim forces have planned to take Mostar. Although we still do not have the figures on casualties and damage, it can certainly be said that the effect is tragic, the statement says. Evacuation of the store started during the morning, as it

was noticed by the HVO defenders, and it was probably by some mistake or as a result of combat activities that a vehicle exploded, which then caused an explosion at the store, the statement says.

Explosions and firearms shooting echoed through Mostar throughout the morning. Members of the Muslim forces on the left bank of the Neretva river were firing guided Maljutka missiles at the HVO main headquarters building, and also targeted a Catholic cathedral with mortar shells. According to incomplete reports from the HVO health service, four HVO soldiers and two civilians were killed in today's fighting and six soldiers and four civilians were injured. The latest convoy announced by the UN Protection Force, which should also carry some HVO officers, has still not left Mostar. The aim is to help the Croatian population in the villages surrounding the Croatian municipality [as heard], which has been under attack by the Muslim forces for over 30 days. [passage omitted]

UNPROFOR Accuses Muslims of Provoking Mostar Clashes

LD1705184293 Belgrade TANJUG in English 1819 GMT 17 May 93

["Pool" item]

[Text] Pale May 17 (TANJUG)—Official spokesman for the U.N. Peacekeeping Forces (UNPROFOR) Barry Frewer on Monday [17 May] accused the Moslems of provoking the latest fierce clashes with Croats in Mostar (Herzegovina).

The Moslems attacked the positions of the Croats' Armed Forces, the Croatian Defence Council (HVO), with infantry and artillery weapons and the fighting lasted from Sunday afternoon through the next night, Frewer said at a news conference in the UNPROFOR headquarters in Sarajevo.

He added that a number of houses had been set on fire in the fighting, and that members of a Spanish UNPROFOR battalion in the area had been denied access to the scene of the fighting from all directions.

Croats and Moslems have been fighting for control of Mostar since May 9.

Frewer said the situation in central Bosnia-Herzegovina was very tense—he illustrated this by announcing that a mass grave had been found in a village near Kiseljak (west of Sarajevo). The village, once populated mainly by Moslems, is now controlled by the HVO.

Moslem-controlled Radio Sarajevo said on Monday that there was reliable information that the artillery units of the HVO and the Croatian Army had levelled the medical centre of Mostar.

The famous old bridge over the Neretva, a monument protected by UNESCO, has been heavily damaged by the Croatian artillery, which deliberately targeted it from its positions on a hill named Hum, Sarajevo Radio said.

The Moslems' civilian and military authorities on the left bank of the River Neretva have announced that the old bridge is in danger of collapsing.

Croat-Muslim Battle for Prozor Reported

LD1705180093 Belgrade TANJUG in English 1741 GMT 17 May 93

["Pool" item]

[Text] Belgrade, May 17 (TANJUG)—Bosnian Croat troops are destroying everything Moslem in central Bosnia, burning down villages and killing civilians or taking them to prison camps, the Bosnian Moslem Command in Prozor said on Monday [17 May].

The Moslem-controlled Sarajevo Radio said that fresh Croatian Defence Council troops were arriving in the area of the Prozor, together with armoured vehicles and artillery.

Bosnian Croats and Moslems, erstwhile allies in the civil, religious and ethnic war in the former Yugoslav Republic of Bosnia-Herzegovina, have started fighting each other for territories after the publication of the Vance-Owen plan dividing Bosnia into territorial provinces mainly along ethnic lines.

The fiercest fighting has been reported in central Bosnia, where the plan envisages the setting up of a province with a mixed Croat-Moslem population.

Muslim Forces Reportedly Driving Croats Toward Vitez

LD1705134893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1209 GMT 17 May 93

[Text] Banja Luka, 17 May (TANJUG)—During the latest clashes, Muslim forces seized the villages of Putisa, Kacuni, and Bilalovci and entered one of the Busovaca [Bosnian Croat-controlled town north of Sarajevo] suburbs, the press center of the First Krajina Corps stated in Banja Luka today.

Quoting reports from the command of the so-called Bosnia-Herzegovina Army, the press center said that Muslims will probably seize the entire town of Busovaca during the day.

Croatian units are mainly withdrawing toward the village of Kula, where they are digging in to stop the Muslim advance toward the town of Vitez.

Croats, Muslims Exchange Prisoners in Vitez

LD1705202193 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 17 May 93

[Text] Eleven members of Muslim forces were swapped for four captured officers of the Croatian Defense

Council [HVO], through the mediation of the European Observer Mission, the International Red Cross, and UNPROFOR [UN Protection Force] in Vitez today. The HVO POWs [prisoners of war] include Zivko Topic, commander of the HVO's Jure Francetic Brigade of Zenica, who was captured by Muslim units on 15 April in Podbrezje, in the Zenica municipality. The other three prisoners are officers of the HVO's Stjepan Tomasevic Brigade of Novi Travnik.

Muslim-Croat 'Coordinating Body' To Meet

LD1705215993 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 17 May 93

[Report by Slavko Rako from Herzegovina]

[Excerpts] Explosions and infantry arms fire are reverberating in Mostar this evening as well. The town center is in flames. [passage omitted]

The office of Mate Boban, president of the Croat Community of Herceg-Bosna, issued a statement late this evening saying that a coordinating body whose formation was agreed in a joint Boban-Izetbegovic statement of 25 April will hold a meeting at the UN Protection Force command in Medjurgorje on 18 May. The meeting will be attended by Dr Franjo Tudjman, president of the Republic of Croatia, and Lord Owen and Mr. Stoltenberg, cochairmen of the peace conference on the former Yugoslavia.

The statement says that the meeting of the coordinating body should also be attended by all members of the body, in accordance with the [Boban-Izetbegovic] joint statement. They are: Fikret Abdic, Mile Akmadzic, Mate Boban, Franjo Boras, Ejup Ganic, and Alija Izetbegovic, with the participation of Franjo Tudjman, President of the Republic of Croatia, in the mission of peace and goodwill, and Lord Owen and Mr. Stoltenberg, cochairmen of the conference on the former Yugoslavia. The statement says that they will discuss the implementation of the joint statement of 25 April 1993.

Muslims Reportedly Violate Cease-Fire in North

LD1705161393 Belgrade TANJUG in English 1542 GMT 17 May 93

["Pool" item]

[Text] Belgrade, May 17 (TANJUG)—Bosnian Moslems on Monday attacked Bosnian Serb positions in the areas of Doboj, Maglaj and Teslic in northern Bosnia-Herzegovina.

Elsewhere in that war-ravaged former Yugoslav Republic, the eight-day-old truce agreed upon by the local Serbs and Moslems has not been violated by late afternoon on Monday [17 May], Bosnian Serb Army sources in Banja Luka said.

In the area of Doboj, the Moslems from Karusa attacked the Serb positions at Putnikovo Brdo several kilometres west of the town, the sources said.

On the Maglaj front, the Moslems shelled Krsno Polje and Strasiste from artillery weapons and tanks, they added.

The village of Jablanica east of Maglaj was also shelled.

Positions of the Bosnian Serb Army at Teslic and on the southern slopes of Mt Ozren also came under Moslem attacks.

On the southern section of the Brcko front in north-eastern Bosnia, the Bosnian Serb Army repelled a major Moslem infantry-artillery attack at about ten p.m. on Sunday, the Bosnian Serb Army command in Banja Luka said.

Army Protests Croat-Serb Cease-Fire Agreement

AU1705173493 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 17 May 93

[Text] The meeting of the commanders of the paramilitary formations of the Bosnian Serbs and the commanders of the Croatian Defense Council [HVO] at Sarajevo airport in the presence of General Morillon [commander of UN Protection Force for Bosnia-Herzegovina] definitely (?unmasked) the intentions of either side regarding the resolution of [words indistinct]. These talks that were held without the knowledge of the military [word indistinct] of the Bosnia-Herzegovina Army represent a direct attack on an internationally recognized country, is stated in the statement by the [words indistinct] of the Bosnia-Herzegovina Army.

Open cooperation of these two formations has been going on for a longer period of time. The following findings confirm this:

In central Bosnia [words indistinct] and the HVO, especially in the Kiseljak, (?Sapnica), and Vitez regions, which are the polygons for the coordination of cooperation against the units of the Bosnia-Herzegovina Army. The HVO forces in Kiseljak are openly describing their cooperation with the aggressor. It was thus agreed to within two months [word indistinct] the territory of all who did not accept such cooperation.

The chetniks delivered the following weapons to the HVO: [word indistinct] 122-mm howitzers, [words indistinct] 1001 with inbuilt 40-mm (?guns), [words indistinct] the food that the HVO is seizing from humanitarian organizations. The HVO troops in Kresevo continue to dig in on the strategic positions (?above the town) with the intention of [words indistinct] HVO Kiseljak and the (?Chetniks) to carry out an attack at (?Lepinica), (?Zabrdje), and [word indistinct]. A meeting of the chetnik commanders and the HVO commanders was held in Han [word indistinct] on 6 May this year at which it was agreed that the HVO troops would withdraw from this territory [words indistinct] aggressor

which drove the troops of the Bosnia-Herzegovina Army in the village of Grahovci into encirclement. The cheniks on the same day attacked [word indistinct] the HVO positions, were ordered to attack the positions of the Bosnia-Herzegovina Army to conquer the entire territory of the Fojnica commune. If the troops had managed to [word indistinct] of these territories an attack would have been carried out against Visoko and Breza together with the paramilitary formations of the Bosnian Serbs to join with the troops in Vares, Kakanj, and Zenica.

On [words indistinct] 7 May the HVO carried out an attack at the [words indistinct]. There are verified reports that two chetnik platoons from Bileca taking part in the HVO operations are present in the Kiseljak barracks.

The meeting at Sarajevo airport is the crown of this cooperation. However, [word indistinct] role of UNPROFOR is unclear. It remains to be seen whether this represents the final pact on destruction of [word indistinct] Bosnia-Herzegovina and whether [word indistinct] with some events from the past is purely coincidental. Regardless of all this, the Bosnia-Herzegovina Army will continue its struggle for the liberation of the internationally recognized territories of Bosnia-Herzegovina [words indistinct] of this country. All members of the Bosnia-Herzegovina Army as well as the HVO members who are fighting the aggressor in the zones of responsibility of the 1st, 2d, and 5th Corps in this way express their dissatisfaction with these events, says a statement from the Bosnia-Herzegovina Army Press Center.

Karadzic, Mladic Begin Talks With Morillon

LD1805095093 Belgrade TANJUG Domestic Service in Serbo-Croatian 0927 GMT 18 May 93

[Text] Pale, 18 May (TANJUG)—Shortly before 1100, talks between Radovan Karadzic, president of the Serb republic [of Bosnia-Herzegovina], and French General Philippe Morillon, UN Protection Force commander for Bosnia-Herzegovina, began in Pale.

The talks are also being attended by Lieutenant Colonel General Ratko Mladic, chief of the general staff of the army of the Serb republic [in Bosnia-Herzegovina].

There have been no official statements on the topics of the talks, but it is believed they will focus on the demilitarization process and UN safe havens.

Silajdzic Views Talks With Iliescu, Melescanu

AU1605192393 Bucharest Radio Romania Network in Romanian 1900 GMT 16 May 93

[Statement by Haris Silajdzic, Foreign Minister of the Republic of Bosnia-Herzegovina after talks with Romania's Foreign Minister Teodor Melescanu in Ljubljana on 16 May—recorded; in Serbo-Croatian with superimposed Romanian translation]

[Text] I have had the possibility to hold talks with [Romanian] President Ion Iliescu and with the Romanian foreign minister. They both expressed their wish to cooperate with all the states of former Yugoslavia, with sovereign Bosnia-Herzegovina, but with all other states, too, to achieve peace and solve this problem for good.

The solution is—and we agreed on that—to accept the Vance-Owen peace plan, while taking measures against all those who oppose the plan. Those people should not be allowed to prevent the establishment of peace in our area. That is why I was pleased to hear from President Iliescu and the foreign minister that above all they favor putting an end to the war.

We have been expecting president Alija Izetbegovic to arrive here, too. Due to security reasons, our president could not come here from Sarajevo. I hope that Presidents Ion Iliescu and Alija Izetbegovic will be able to meet tomorrow in Zagreb.

Spain's Defense Chief Wants Mission Modified

LD1705203593 Madrid TVE Internacional Television in Spanish 1900 GMT 17 May 93

[Excerpts] Spanish Defense Minister Julian Garcia Vargas is now at the Spanish Legionnaires' headquarters in the Bosnian town of Medjugorje, near Mostar. Early this afternoon in Split, Croatia, Vargas compared the Croatian militia with the Serbian forces carrying out ethnic cleansing, and clearly called for a modification of the mission of the Spanish UN peacekeeping forces so that they can guarantee their security should they be attacked by the warring sides.

[Correspondent Angela Rodicio] [passage omitted] After short talks behind closed doors, Sr. Garcia Vargas said he is concerned about the situation of the troops, immersed in bloody fighting between Muslims and Croats in Mostar, the heart of the area which the Spanish UN peacekeeping forces have to control.

[Begin Garcia Vargas recording] Because if we interpose ourselves between warring factions which systematically violate the agreements they sign and fight among themselves over the Spanish armored vehicles, even firing on them, well, one has to rethink how this mission can be carried out in a systematic way. I don't know with what formula, but there will be that change of mandate, probably with an exchange of letters between the UN Security Council chairman and the UN secretary general. [end recording] [passage omitted]

Paraga Reportedly Arrested; Body Guards Killed

LD1705141093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1205 GMT 17 May 93

[Text] Banja Luka, 17 May (TANJUG)—The leader of the Croatian Party of Rights [Hrvatska Stranka Prava—HSP], Dobroslav Paraga, has been arrested and his body guards killed on the spot, it has been learned unofficially by the press center of the First Krajina Corps in Banja Luka.

Quoting sources close to the HSP, the press center of the First Corps stated that Croatian authorities have been trying to hide these facts by censoring all reports in connection with Paraga. The press center did not reveal where Paraga was arrested.

Tudjman Comments on Prospects of Split Talks

LD1805105493 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 18 May 93

[Text] Croatian President Dr. Franjo Tudjman—accompanied by Jure Radic, head of the president's office; Defense Minister Gojko Susak; Major General Slobodan Praljak; and Franjo Greguric—landed at Split airport this morning. Immediately afterward, Russian Foreign Minister Andrey Kozyrev and Bosnia-Herzegovina Presidency President Alija Izetbegovic arrived in Split aboard special airplanes.

Here is what Dr. Tudjman told domestic and foreign journalists upon his arrival in Split:

[Begin Tudjman recording] I expect that something will come out of these talks on the path of searching for peace and reason of those who lost it somewhere in the Bosnian heights. Naturally, Croatia is vitally interested in what the future of Bosnia-Herzegovina will be like, but the problem of Bosnia-Herzegovina is primarily the internal problem of the nations living there, Muslims, Croatians, and Serbs.

The role of Kozyrev as a representative of Russia, which is traditionally present in the Balkans, is great, but it is clear from what is happening in the world that neither Russia, Europe, nor the United States know what to do. [end recording]

Russian Foreign Minister Andrey Kozyrev, accompanied by his deputy and special peace envoy Vitaliy Churkin, declined to make a statement upon his arrival at Split airport. Bosnia-Herzegovina President Izetbegovic did not make any statements either.

David Owen and Thorval Stoltenberg, cochairmen of the conference on the former Yugoslavia, are also expected to arrive this morning.

'Observers' View Churkin Initiative on Krajina

LD1805083893 Belgrade TANJUG in English 0749 GMT 18 May 93

[By Sava Jankovic]

[Text] Knin, May 18 (TANJUG)—Croatia's hasty acceptance of Russian Deputy Foreign Minister Vitaliy Churkin's initiative for the continuation of peace talks with representatives of the republic of Serbian Krajina (R.S.K.) might mean that President Franjo Tudjman earnestly wants peace, but might also be another Zagreb's manoeuvre.

Observers in the R.S.K. capital Knin are trying to reval why Churkin was in such a hurry to announce talks in Topusko for May 21 and why Croatia is so willing to negotiate. Could it be Croatia's wish to present itself as a peace-maker while fierce clashes with Alija Izetbegovic's army in Bosnia-Herzegovina continue, the observers wonder.

The R.S.K. government does not reject negotiations, but believes they are the only way of solving the disputed issues after Croatia's January 22 aggression on the U.N.-protected area. The R.S.K. authorities insist, like they did during the last month's talks in Geneva, that the status of the disputed areas—Maslenica, Peruca hydro-electric power plant, Zemunik airport—be determined and that the Croatian troops withdraw ten kilometers from the demarcation line.

Well-informed sources say that if peace with Krajina were reached, Croatian forces could be transferred from the front where fighting has continued for nearly four months to Herzegovina.

Others believe that Croatia is offering peace in order to be able, if the R.S.K. rejects the offer, to back on the Vance-Owen plan once again and be unpunished for a military resolution of the conflict with the Serbs.

Russia's (and UNPROFOR's [UN Protection Force]) peace initiative in the Krajina-Croatia dispute very much resembles a peace process which was interrupted by Croatia's January 22 aggression on the R.S.K.

Churkin has proposed to R.S.K. officials that economic and other links between Krajina and Croatia be restored. This is unofficially assessed in Knin as an attempt to integrate the R.S.K. into Croatia, giving it autonomy within Croatia, the kind and degree of autonomy to be defined subsequently.

The R.S.K. officials asked Churkin how could "Serbs and Croats now live together, if they could not in the former Yugoslavia," why the Serbian peple was not asked to decide if this was a fair play and since the international community tolerated Croatia's aggression.

Instead of an answer, Churkin offered the Russian concept for a peaceful resoution of the conflict between the R.S.K. and Croatia and said Tudjman's stand was

that "if a political solution is not reached, Croatia will opt for a military solution."

Observers in Knin say that until the vote of confidence to Yeltsin in April, the Russian diplomacy had been saying it would require sanctions against Croatia because of its aggression on the U.N.-protected area. Moscow's new initiative is a repetition of the West's views, it is said in Knin, and its proposals practically award and legalize Croatia's aggression on Krajina.

While Churkin mediates and proposes a continuation of talks, the Croatian Army attacks and shells Serbian villages in Krajina every day. Croatia obviously wants to show what will follow if an agreement is not reached, it is explained in Knin. What else could the demonstration of force for the destruction of Serbian villages mean.

Defense Minister Denies Aggression in Bosnia

LD1805083993 Zagreb Radio Croatia Network in English 0805 GMT 18 May 93

[Text] The Croatian Defense Ministry has sent a letter of protest to the Bosnian and Herzegovinian ambassador to Croatia, Bisera Turkovic. This has come following the statement issued after the session of the Bosnian Government held on the 13th of this month where, among other things, Croatia was being blamed for the aggression in Bosnia and Herzegovina. In the letter the Croatian Government denied all allegations.

Serb Krajina Leader Comments on Talks With UNPROFOR

LD1805010693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1814 GMT 17 May 93

[Text] Knin, 17 May (TANJUG)—Any agreement on the cessation of fighting between the Republic of Croatia and the republic of Serbian Krajina can only be signed by the commanders of the warring armies—Generals Janko Bobetko and Mile Novakovic—a representative of the government of the republic of Serbian Krajina, Borislav Martinovic, told reporters tonight after four hours of talks between a delegation of the republic of Serbian Krajina and representatives of the UNPROFOR [UN Protection Forces] for the former Yugoslavia, headed by civilian sector chief Cedric Thornberry.

Guarantees that Croatia will fulfill all the obligations it has assumed and "its acceptance of Krajina's delegation at talks as an equal state delegation rather that one of the local Serbs in Croatia" are the conditions set by the Krajina delegation under which it will sit down at the negotiating table in Topusko, Martinovic stressed.

This meeting, the second in the past three days, was held to dispel some unclear issues and speed up preparations for this meeting in Topusko, scheduled for tomorrow by the UNPROFOR representatives.

The UNPROFOR's draft agenda "demands of both sides an immediate cease-fire in the confrontation which began on 22 January, in anticipation of an agreement on the implementation of UN Security Council Resolution 802 of 26 January this year going into effect, as well as the introduction of a mechanism which would cover important issues of mutually practical and economic interest."

At today's meeting, after which Thornberry was "considerably unsatisfied" as he failed to make the usual press statement, the representatives of Krajina demanded, in Martinovic's words, that the Croatian Army withdraw not only from all the areas seized since January's aggression but also from the Miljevac plateau and the village of Nos Kalik as they invoked the Sarajevo general agreement on a cease-fire.

"Thornberry will tonight convey our stands and conditions to the Government of the Republic of Croatia. If they accept them, Krajina's delegation will attend the talks in Topusko," Martinovic said.

Minister Reports Serbs Granted Croatian Nationality

LD1705171993 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 17 May 93

[Text] More than 350,000 people have submitted requests for a certificate of Croatian nationality [domovnica], and only three have been rejected so far. This was announced today by Croatian Deputy Prime Minister Mate Granic.

Speaking at a news conference at the Ministry of Foreign Affairs, Dr. Granic said that 12,917 of the total of 352,270 requests are still being processed, while the rest of the applicants have been granted a certificate of nationality. The Croatian deputy prime minister also presented data on the nationality of the applicants; more than 50,000 of them are of Serb nationality. Most of them have already been granted certificates of nationality, while an additional 4,000 requests are still being processed, Dr. Granic said.

Granic also spoke about the problems of accommodating refugees in Croatia. He recalled that about 1.8 million displaced persons and refugees had passed through or are being accommodated in Croatia thus far. More than 718,000 people in Croatia have abandoned their houses because of the war danger, Granic said. He said that 260,000 Croats lived in the UN Protected Areas before the war, while only about 6,000 remain now.

One of UNPROFOR's [UN Protection Force] tasks is to secure the gradual return of displaced persons to their homes in the UN Protected Areas, Granic recalled. The implementation of this task is best proved by the latest figure presented by the deputy prime minister, that 2,500 Serbs have returned to Sector West, and not a single Croat has.

At the news conference today, Granic again presented figures on the number of displaced persons and refugees

accommodated in Croatia. Of about 520,000 people, more than half have refugee status. Granic stressed that most of them are from Bosnia-Herzegovina.

Reported Croatian Attacks on Benkovac End; Front Quiet

LD1705143993 Belgrade TANJUG in English 1215 GMT 17 May 93

[Text] Knin, May 17 (TANJUG)—It was quiet on the northern Dalmatian front in the night of May 16-17 and the morning, after Croatian forces on Sunday had launched a fierce attack on Benkovac, a town in the republic of Serbian Krajina (R.S.K.).

The Croatian attacks on Sunday were the most brutal ones since the beginning of Croatia's offensive on the R.S.K. in late January, chief of the general staff of the R.S.K. Army Gen. Mile Novakovic has said.

The R.S.K. was proclaimed in the predominantly Serb-populated areas of the former Yugoslav Republic of Croatia after Croatia's forcible secession from the former Yugoslavia in 1991. The R.S.K. was proclaimed a U.N.-protected area in the spring of 1992.

The R.S.K. army general staff said in a statement that several hundred shells of great destructive force had hit Serbian villages around Benkovac on Sunday. In an attack which lasted five and a half hours, the Croatian forces used all available weapons including multirocket launchers, howitzers, cannons, mortars and tanks.

It is a miracle that there were no civilian victims, while great material damages were caused, it said in the statement.

R.S.K. army units adequately responded to all the attacks.

Tudjman, Romania's Iliescu Comment on Talks

LD1805003993 Zagreb Radio Croatia Network in Serbo-Croatian 2200 GMT 17 May 93

[Text] Croatian President Franjo Tudjman and Romanian President Ion Iliescu made public statements today after two hours of talks between Croatian and Romanian delegations .

President Tudjman stressed that the talks had focused on the crisis in the former Yugoslavia and ways of bringing an end to the war in Bosnia-Herzegovina. The Croatian delegation informed their guests about Croatia's positions and learned the Romanian delegation's stands, Tudjman said. Romania and Croatia want an immediate end to the bloodshed and war, after which solutions for the internal organization of Bosnia-Herzegovina acceptable to all three peoples should be found, the Croatian president said.

President Iliescu said that his second visit to the Republic of Croatia was an opportunity to continue talks on the development of economic and political relations between the two countries. He noted that these relations are being affected by the crisis in the area of former Yugoslavia and the confrontation in Bosnia-Herzegovina. President Iliescu stressed that in the course of his meetings with Presidents Kucan, Izetbegovic, and Tudjman he has acquired better knowledge of the attitudes of the leaders of the new states toward the crisis. He will meet Cosic, Milosevic, and Bulatovic in Belgrade on 19 May.

Citizens Seek Denationalization of Property

93BA0980B Zagreb GLOBUS in Serbo-Croatian 16 Apr 93 p 15

[Article by Ratko Boskovic: "The State Is Horrified: Citizens Are Seeking the Return of Property Worth Eight Billion German Marks!"]

[Text] *The long-awaited document from the Ministry of Administration and Justice, which gathered and processed data from 67,000 requests from Croatian citizens for the return of nationalized property, has finally reached the Assembly and the government. In the requests submitted, citizens are seeking the denationalization of 1,795 enterprises, 50,000 farms, 204 ships, and 19 quarries! The former owners have also submitted 2,000 requests for the return of machines, automobiles, valuables, shop inventories, livestock, furniture.... The total current market value of the property which the former owners expect to be returned to them or paid for is three times higher than the "old" foreign exchange savings that the state already owes citizens!*

The data on Croatian citizens' requests for the return of property confiscated through nationalization, which were prepared for the last Assembly session, were unnoticed by the public to a considerable extent. The reason for the low level of response is probably the Assembly's truly extensive agenda, with many extremely important topics, but with respect to denationalization, there is no justification at all for the lack of attention to this issue, because the indicators prepared by the Ministry of Administration and Justice are really impressive: specifically, citizens are requesting that they be given back 1,795 enterprises, about 30,000 apartments, about 16,000 commercial buildings, and almost 50,000 farms, and almost 2,000 requests have also been submitted for the return of various types of non-real estate property.

Croatian citizens are requesting that they be given back 3 billion square meters of land, and 1.5 million square meters each of commercial buildings and apartments; the owners, who never ceased to be owners by law, are asking to get back their 204 ships and 19 quarries! Three billion square meters, or, more precisely, 321,652 hectares, which should be denationalized, constitute only about one-sixth of the total agricultural land that is believed to be state-owned in Croatia, but it constitutes as much as three-quarters of the 448,080 arable state land.

Disappointed Voters

Applications for denationalization, or more precisely records of the former owners and the property confiscated, are kept at the Institute for Records on Justice and Public Activities according to a 14 May 1991 government decree. Beginning with that date, 25,000 citizens, encouraged by the thought that denationalization had not started yet, rushed to the Institute for Records, and submitted 67,000 applications. Those applications have finally been processed and analyzed, and indices have been formulated for denationalization.

The big question, however, is how denationalization will proceed in Croatia, and whether it can even exist in any great volume. The public awaited with particular attention the Law on Denationalization, announced to the Assembly back in the middle of 1992, but did not get to see the law. In the meantime, denationalization has developed into a first-class political issue, over which the HDZ [Croatian Democratic Community] is losing, and the opposition winning over, potential voters every day.

Something has been done only in restitution for the former owners of enterprises. Specifically, the Privatization Fund is reserving for them part of the capital of the socialized enterprises being transformed, in an amount estimated to represent fair compensation. The former owners are extremely dissatisfied with the procedure, and in most cases they feel cheated. First of all, their property is once again changing owners by force of law, without anyone asking them anything about it. The former owners are furthermore not a "party" to the procedure! If they contact some state institution, dissatisfied with the estimate or the share allocated to them, they will rarely receive an answer. The ownership share or package of shares that they receive is usually a minority one or only a token one, so their voice in managing their own former property is worth little or nothing.

Fear of Denationalization

The former owners are thus still seeking the return of 588 enterprises in Zagreb, 46 in Osijek, 57 in Rijeka, and 108 in Split, just to mention the larger cities, in which there are about half of the total number of enterprises for which the restoration of ownership rights has been requested. In this regard, applications have been submitted for the denationalization of 410 industrial enterprises, 328 commercial ones, 114 production ones, 101 workshops, 86 hotel enterprises, 86 mills, and 55 service enterprises.

There still has not even been any mention of the denationalization of apartments, land (both construction and agricultural), the denationalization of machines, automobiles, valuables, shop inventories, livestock, farms, furniture, vehicles.... In political corridors one can only hear fears that through the return of property Croatia could be ruled again by foreigners, the church, Jews, or a few families. Opinions are already being heard that the general solutions for denationalization should promise everything, but the technique should be adjusted in such a way that as little as possible is actually returned. The party in power, the HDZ, hopes that through that method, which means renouncing its campaign promises, it will nevertheless survive the next elections, since the interests and votes of the present users of nationalized property should outweigh the votes of the former owners.

In the elections to the Assembly's Chamber of Parishes, as well as the local elections, it has already turned out that that calculation by the party in power is shortsighted. Specifically, it is only true in the cities, whereas in rural areas, vitally interested in the return of fields, meadows, forests, livestock, and equipment for agricultural production, the opposition, especially the Croatian Peasants' Party [HSS], is easily winning the elections on the basis of a promise of another fair distribution of land. The HSS, combined with the strengthened liberals in the cities, could cost the HDZ a loss of power in the next parliamentary elections, precisely over denationalization!

One of the arguments against rapid denationalization is the practical problems of returning property which in the meantime has legally changed owners to its original owners. Proposals can thus also be heard for compensating the former owners with money, or some kind of state securities, rather than in kind. We will therefore try to estimate the current market value of the confiscated property.

How Much Is the Confiscated Property Worth?

The million and a half square meters each of commercial and residential property is worth at least 3 billion German marks [DM]. We will estimate the 80 million square meters of construction land at an average of DM50 per square meters, which gives us another DM4 billion! Even though there is relatively little construction land, its market value is extremely high.

It is most difficult to assess the approximately 300,000 hectares of land, of which half is under forests. That land is very diverse, as can be concluded from its territorial distribution: almost 10,000 owners are seeking the return of 66,000 hectares in the Zagreb area, i.e., very expensive land, while 230 owners in Delnice requested as much as 48,000 hectares, i.e., farms averaging 210 hectares, which can only be woods and pastures. We will estimate the woods at DM3,000 per hectare, and the agricultural land at DM1,000 per hectare, which makes a total of DM156 billion.

The number of requests submitted for the return of non-real estate property is 1,944, and it is really difficult to assess them, so we will take an average value of 50,000 marks for the ships, and 5,000 marks for every other request. In that way, we arrive at approximately 20 million more marks.

Overall, therefore, according to an extremely conservative estimate, requests for the denationalization of property worth between 7.5 and 8 billion marks have been submitted to the Croatian state!

Source of Government's Public Works Capital

93BA0930D Zagreb DANAS in Serbo-Croatian
16 Apr 93 pp 18-19

[Article by Zeljko Luburovic: "Secret Capital for Public Works"]

[Text] *Through a public works program, Prime Minister Nikica Valentic guarantees investments worth $1.5 billion. Experts wonder where the money is coming from.*

The state is burdened by a production depression. Life below the subsistence level is an everyday occurrence for the majority of the population, while one employed person supports two and a half other individuals. Moreover, only one-third of the money supply is under the control of the central monetary institution, meaning that the rest is in the hands of gray issue. This was the brief description of Croatia's economic present provided by Nikica Valentic, the new prime minister. Although some will say that the prime minister did not have to reinvent the wheel, others will see in this an attempt by Valentic to provide himself, from the beginning of his term in office, with a cover if he does not succeed in his objective of stabilizing the Croatian economy. In localizing the key points where his government must apply the intellectual fury of its members—and Dr. Tudjman has said that the HDZ [Croatian Democratic Community] could not have found more competent people than those currently in the cabinet—Valentic also noted that in order for his program to succeed, a consensus is needed within the party to which he belongs, but also among the labor unions and the broadest segments of the population.

Did the prime minister thus announce a leveling or an economic general mobilization? There is no doubt that some will see Nikica Valentic's politically formulated expose as only a list of pompous platitudes through which he is attempting to loudly present to the populace a program lacking funding, all the more so since the rhetoric that characterizes Valentic's announcements of Croatia's better tomorrow is something that people here are rather tired of hearing. What they are clamoring for is a concrete shift. Admittedly, polls indicate that Valentic enjoys the confidence of the citizens, that there is some form of hope present, but besides the production depression that Valentic mentioned one must also bear in mind the spiritual depression. When that is dominant among the population, even the best programs can be endangered. It is precisely for this reason that many people are rightly asking to what extent the announcement of public works can be supported by the broadest segment of people, who are most often not the most clear on what public works should be. In the prime minister's opinion, simply making investments on our own will promote interest in Croatia by foreign investors. But the fundamental question is this: Whence the money for investment?

Speaking to members of the Main Committee of the HDZ, the prime minister was resolute in presenting his program, saying that $1.5 billion would be invested in the public works program from various sources. It is significant that he neglected to mention what these sources are, all the more so since the chairman of the Executive Committee of the HDZ, Dr. Ivic Pasalic, speaking at that meeting, said that there is a discernible trend in international politics to extort Croatia on the economic front in order to force it into some sort of new Yugoslavia. If that is actually true, then one must ask where Valentic will get the money to finance public works. And besides labor, money is the foundation of such an economic policy. Dr. Mato Crkvenac, a full professor at the Department of Macroeconomics and Economic Policy of the School of Economics in Zagreb, maintains that public works in Croatia cannot be financed from domestic sources; rather, it will be necessary to rely on foreign accumulation. He also emphasizes that public works can make sense only if they are a meaningful part of an integral economic policy.

Crucial Role of State

Dr. Crkvenac sees the policy of public works as a reaction to the economic crisis under specific conditions in which they can be realized only if there exists a certain accumulation of capital—which there is not in Croatia—or if an attempt is made to use them to solve the problem of high unemployment figures. But just as unemployment in relation to the production depression in Croatia does not constitute a significant motive for public works, the same is true of expecting that they will be set in motion in order to stimulate the investment cycle. Mato Crkvenac maintains that this will not happen in our country because public works depend most of all on additional accumulation from abroad, which in his judgment will not be forthcoming. It is his opinion that the multiplicative effects of public works are less than the effects of development in certain other areas, especially tourism and agriculture. "We have no accumulation, and what we do have should be focused on entrepreneurism, exports, and elsewhere. Focusing public works on the infrastructure endangers the cycle of return on investment, while the modern technology with which works would be executed negate their effects in the area of employment. Because the development of technology is inversely proportional to the demand for labor," says Dr. Crkvenac.

Although he is a little restrained with regard to public works, he still thinks that they can be important and that they should not be underestimated. "However, public works must be accompanied by what the state should do in other areas. The role of the state is crucial in creating an entrepreneurial atmosphere, in broadening markets, and in attracting foreign accumulation," Crkvenac maintains, adding that Valentic's concept of public works can

succeed only with outside capital. "But I do not know from what sources Valentic plans to get $1.5 billion, which only yesterday was not there. Perhaps that is the sum planned for a longer period or the sum that expresses the magnitude of what is needed," says Dr. Mato Crkvenac. In his judgment, anyone who thinks that it is possible to copy the U.S. New Deal program is mistaken. "The aim of the U.S. public works program was to stimulate employment, but not that many people will be needed in our country, and it is questionable whether people will want to get involved in it," concludes Dr. Crkvenac.

Dr. Branimir Lokin is also very critical of the idea that the Valentic government should carry out public works. Dr. Lokin is at a loss to explain what this even entails. "This should be backed up by an economic policy, but they do not even know what that is. The battle against inflation, which Valentic announced, and public works are not compatible," Lokin says, adding that "public works in the United States come about under different circumstances, as a distribution of jobs, and that is because of a surplus of money and a shortage of jobs. Thus, the situation in our country is the exact opposite. We have no money. The best example is the shipbuilding industry, which has orders for ships, but has no money to invest in building them. Thus, I cannot say anything more concrete about the public works program, especially since no one has even seen this program. All that is known about it is what is read in the press. I only know that all my predictions have come true, although they tried to convince me two years ago that I was not right. So I wonder who is crazy in the end?"

Speaking of craziness, Prof. Dr. Branko Horvat maintains that it is crazy to launch public works in a country weighed down by inflation of 2,000 percent, so that in that regard he found it superfluous to add any further comments on the idea of public works in Croatia. Still, that idea is not original to Valentic's cabinet. Back during the Sarinic administration, Mladen Vedris announced that possibility, but he too does not have a copyright on this idea. One of the first people to advocate some sort of Croatian New Deal was Dr. Vladimir Veselica, at the time still a member of the Croatian Democratic Party. He contended that only Thatcherism and Reaganomics, accompanied by some form of public works, could set Croatia on the course of economically stabile European countries in the shortest period of time. However, that was a time when Croatia was not yet caught up in war, and when the flow of capital and goods was not closed off. Accumulation was at an enviable level, and even foreigners were showing interest in investing in Croatia. Some people assert that if some sort of public works had been launched at the time, with intended megainvestments and including foreign capital, there would not have been any Serb aggression, or it would have been halted immediately—by the people whose money was tied up in those megainvestments. But talking about that today is just a waste of time.

Builders Caught Off-Guard

And the fact that there is no time to waste is confirmed by builders, who are very interested in deploying their operations in public works programs. Especially since aside from individual orders that generally take them to developing countries, Croatian builders must lubricate their operations every day to avoid foundering from inactivity. And it is known that a startup of construction brings with it other segments of production. This is precisely why it is no wonder that builders are happy about public works. Nevertheless, it seems that some of them were caught off-guard by Valentic's announcement. For example, the acting director of Geotehnika in Zagreb, Dragan Jadrijev, says that it is hard for him to say anything about the public works program solely on the basis of information from the press. "We have no insight into programs that we hope have already been drawn up. However, no one from the government has contacted us, for example, about our commitment to public works. It is true that construction operations exist, but the main problem is with labor. Especially for us at Geotehnika, where the majority of our work force is at the front. On the other hand, there is still the open question of prices in this work, but also collection. All of this must be arranged in detail in order for the work to succeed," says Jadrijev. Unquestionably, people at Industrogradnja, Konstruktor, and other construction enterprises are hopefully waiting for an invitation from Valentic's cabinet in order to fully clarify the issues surrounding public works.

All the more so since some of these enterprises have already been privatized, so that it is the interest of private capital that operations keep busy, while it is the interest of the state that investments begin to circulate. The only question is who will pay for it.

Another question is what all this will look like if all the regions of Croatia are not liberated. Prime Minister Valentic announced that if all attempts to negotiate with the rebel Serbs fail, his government is preparing an alternative economic program that would be adapted to the needs of war. This too is a sort of public works program, although in that case potential would be mobilized more on military foundations. A wartime economy is only a second variant, a second attempt to emerge from the production depression. Public works are an American invention, while a wartime economy, with an almost militarized society is the European (German) model of the New Deal.

Both Dr. Crkvenac and Dr. Lokin maintain that the latter would not be appropriate in Croatia, whereby Lokin adds that Valentic's announcement of this alternative economic program is more propaganda than reality. But what is certainly reality is the fact that Croatia is being pressured by the production depression, that the majority of Croats are living below the subsistence level, and one Croat works for two and a half others, and that the National Bank of Croatia, as the central monetary institution, supervises only one-third

of the money supply. Everything else is gray issue. Will the Valentic administration bring at least a little cheerfulness instead of this grayness, if only through public works?

Future Role of Zadar-Knin Zupanija

93BA0954A Zagreb VJESNIK in Serbo-Croatian 14 Apr 93 pp 16, 17

[Interview with Sime Prtenjaca, Croatian Government coordinator for civilian affairs with the UN Protection Force in Sector South, by Ivica Marijacic; place and date not given: "'This Is the "Make-or-Break" Region for Everything'"]

[Text] Economist Sime Prtenjaca will remain the chairman of the Executive Council of the Zadar Opstina Assembly for a few days longer. At the same time, he is still the government's coordinator for civilian affairs with UNPROFOR [UN Protection Force] in Sector South. All indications are that he will be the first zupan in Zadar-Knin Zupanija, the make-or-break zupanija for the difficult issues of Croatian political reality. The former vice prime minister of the Republic of Croatia, Vladimir Seks, has said that Zadar has been entrusted with incorporating the current occupied territory into the Croatian administrative system. Many would refuse such a trust. Zadar, however, accepted this role, although there was resistance. Thus, Zadar and Zadar-Knin Zupanija will be the focal point of Croatia's road to political stability.

Sime Prtenjaca has worked in Zadar for some time now. First in the economy, and since two years ago in the executive branch of the Zadar government. He is originally from Polaca, near Benkovac, a town that today has virtually ceased to exist under occupation of a little less than two years. We spoke with Sime Prtenjaca right after the proposal that he be the first zupan in Zadar-Knin Zupanija was disclosed.

[Marijacic] You have been put forward as zupan, which means—given the balance of power—that you are sure to be elected. I do not know whether to congratulate you on what awaits you, or to pity you. I assume that you are aware of the responsibility, given the spectrum of enormous problems in this very region of Croatia?

[Prtenjaca] First I must say that I was proposed by the HDZ [Croatian Democratic Community]. They probably proposed me as an operative who in the past has succeeded in realizing certain aims and goals in organizing work in Zadar Opstina, evaluating the situation and needs in this region. I must say here that I am not especially enthusiastic about this and that right now I regard it simply as another obligation to the homeland, nothing more. I have no particular personal wishes and ambitions in this regard. But to avoid sounding demagogic, if I become zupan, I am completely aware of the fact that this is the biggest Croatian problem. Here is where the war against Croatia began, and with the war all the other serious problems; and all indications are that this is where it will also end. This is the "make-or-break" region for everything. Accordingly, this zupanija will occupy a central place in Croatia. It will gain a strategic position in overall Croatian politics, will have special status in future times of peace as well, but until those times of peace come, there will, I think, still be dreadful problems, unfortunately. Thus, I am aware that this is absolutely the most difficult position, with no rival in Croatia. But it is up to us not to abandon this arduous course at the outset. Thus, my election is a matter neither for congratulations nor for pity.

[Marijacic] You have already done some of the work that will occupy you as zupan in your capacity as chairman of the Executive Council of the Zadar Opstina Assembly and in your capacity as the government's coordinator for civilian affairs with UNPROFOR in Sector South. Surely you will continue to do some of this work in your capacity as zupan....

[Prtenjaca] I can already say that this will be a continuation of the performance of that classical civilian work, but it is necessary to define and distinguish the position of the state from the position of the zupanija, and to say that the problems of defense, police, and all other key problems in this region will lie exclusively in the state's domain, not the zupanija's. Unfortunately, our zupanija will initially be territorially linked only to the Biograd and Zadar regions, given the fact that a large part of it is still under occupation. Initially it will continue only with the functions of the current executive councils, and then with the infrastructure tasks that we have had thus far. The point is actually to distinguish between the obligations and work of the zupanija and state. The zupanija will not be a mini-state, although it will assume some obligations in certain areas, such as schooling and the judiciary, and in certain other affairs.

[Marijacic] The state has indicated that it will have roughly the same relationship toward all the zupanijas. However, because of its specific characteristics, Zadar-Knin merits special attention from the state. Do you agree?

[Prtenjaca] We have stressed the reasons why we would not be that kind of zupanija, and I still stand behind that assessment, because I think that Croatian key problems in this region cannot be solved by the city of Zadar or Zadar Opstina alone. Not in the past, present, or future. The current Zadar Opstina can be the backbone or standard-bearer of everything in this region, and that is probably why it fell to Zadar to organize life in the zupanija. But the state will have to take over matters and problems to the extent that they are state problems, not only Zadar's problems. And we have seen that all the difficulties that have piled up in this zupanija are primarily Croatian ones. I do not mean by this only the areas of defense and police, but also part of the infrastructure functions as well as part of the vast job of postwar reconstruction.

It is absolutely certain that this zupanija has suffered the most devastation in Croatia, and it is also the largest in terms of territory. That is why Croatia must make solving these problems a top priority, while the city of Zadar, which itself has suffered a great deal and continues to suffer from the war, cannot bear this entire burden of incorporation, reconstruction, and the return of the population. In particular, it cannot bear the burden of defense and police alone.

[Marijacic] Zadar-Knin Zupanija now includes within it one of the two Croatian kotars, Knin Kotar, with special constitutional status for the Serb population. At some future time, say, in four years, will one uniform administrative entity be created; in other words, can Croatia expect, in the foreseeable future, that Obrovac, Knin, Benkovac, or even Korenica will **inkrimirati** Zadar as their regional capital?

[Prtenjaca] According to some estimates, 70 percent of the territory of our zupanija is still under enemy occupation. According to the latest census, Serbs account for around 45 percent of the total population of this zupanija. You have raised a big military-political question. We would like to achieve over a given period, say four years, a stabilization of relations and a positive change in the current, almost impossible situation. I repeat that the main stabilizer should be the state. Because the question of political structure, as well as military-police structure, is a function of the state, not the zupanija. Clearly, at various lower levels we will have to bear part of this burden concerning the territorial structure and not run away from the problems and work awaiting us. But the state is the one that will seek optimal modes for incorporating the currently apostate and estranged area into a uniform and unified territorial space, and everything that we will do as a zupanija we will do in accordance with the modes contrived by the state.

[Marijacic] What are the crucial problems of Zadar-Knin Opstina? Can you list them?

[Prtenjaca] First, the territorial structure, with the specific role of Knin Kotar. Second, the people, meaning the return of exiles to their towns. Everything else is subordinate to the people and they are, it appears, in front of all else. All of us who will hold office will have to subordinate ourselves to the interests of that category of the population. The people must be returned, and then everything must be done in the operational sense that is a precondition for the return of these people. There will be a series of parallel, but not unessential, problems and tasks. Third, there is the trade and other infrastructure, which is a precondition for the return of exiles and a precondition for any sort of economic development and for general survival in this region. This means energy, trade, and everything else with which we have already begun to wrestle in some sense.

[Marijacic] What is the development potential of Zadar-Knin Zupanija with regard to its natural resources, and does the zupanija have any prospects in that sense? We know what the current situation is in the zupanija: It is devastated, ravaged, plundered. Nothing is up and running, people are barely surviving. How then do you overcome the chasm between the current situation and the considerable prospects in tourism and agriculture?

[Prtenjaca] Tourism and agriculture are the strategic focuses of the zupanija's development. These are two labor-intensive activities that employ lots of people and that do not require a great deal of startup capital. In fact, agriculture and tourism in some sense represent an optimum between investment and return, with regard to rapid development and less capital. We would develop these activities more quickly with a small amount of resources, while we would employ a large number of people. In this way we would begin to create the conditions for the return of people, life, and the conditions for economic expansion. As such, agriculture and tourism are two sectors that can be the generator of the rest of the economic process. Based on all our contacts with people in the rest of the world, foreigners are impatiently interested in our tourism. All the other natural resources in the zupanija are a function of tourism, the "reincarnation" of which we eagerly await. I am thinking here of agriculture, trade, services, and everything else.

[Marijacic] In your words, Zadar-Knin Zupanija is open to foreign capital. Does that mean that foreigners can find their interest here?

[Prtenjaca] Absolutely. We are already trying to attract capital, and that is in fact a condition for our development and our survival. We are in search of all potential investments and investors. In addition to capital, however, we need different ideas. As a primary task, we must change the attitude toward work, and then interpersonal relations. Once we do not blame others for our own failures, once our first and foremost goal is not to outwit the state, to avoid the payment of taxes—then we will be able to say that we have begun to establish a proper attitude and proper ideas. If that does not happen, then it makes no sense whatsoever to expect bright prospects or economic expansion.

[Marijacic] As you noted, a little less than half of the population of Zadar-Knin Zupanija is Serbian. The public portrayal is that these are largely rebel Serbs. Could these people ultimately, if they wanted to, see an interest in this sort of Zadar-Knin Zupanija, given the fact that they live in predominantly nonself-supporting regions?

[Prtenjaca] We were all born here and we know what people think. When you ask me that, I realize how senseless this war that the Serbs started is and how horrible the consequences of their raids of conquest are. But unfortunately, the local Serbs have accepted the Serbian strategic, imperial interest. If they were to realize now that they must live in this region, they would quickly notice and find their life interest. This is not my petty political assessment. They live in the hinterland of the sea, of the coastal area. On the whole, they have lived

in a rich region, and if the situation calms down this region will quickly become rich once again. I think that among the rebel Serbs there is a growing awareness of what they had while they lived in peace with us and a growing awareness of what they have now after two years of war. I think that this comparison-based knowledge could have a painfully sobering effect on them and that they could become aware of their tragic mistake and illusion. The Serbs in Zadar-Knin Zupanija can find their economic interest only if they abandon the political goal imposed on them, according to which this should be part of Serbia. That goal has already cost them dearly. I believe that they are gradually realizing this.

[Marijacic] These rebel Serbs could no doubt see how the Serbs who remained in Zadar live today, in contrast to those who were used for Serbian political purposes?

[Prtenjaca] Absolutely, but permit one digression here. They say that someone from Zagreb will soon be trying to organize reconciliation between Croats and Serbs in Zadar. I ask you: reconciliation of whom with whom? I have not picked a quarrel with anyone, nor expelled anyone. I see that Serbs in Zadar work normally in the opstina, there are more than a hundred of them at the Zadar Medical Center alone, they are present in almost every company and institution. I have never picked a quarrel with them and have nothing to reconcile. They work just as I do, so let there be reconciliation by those who have an impure conscience. Judging from the Serbs who remained here in Zadar, I can assert with full responsibility that they are living normally, and they are in jeopardy to the same extent I am, in terms of inadequate means with which to live. I can say reliably that citizens of Serb nationality have received reconstruction loans, and I also know that Zadar's Caritas—a Catholic humanitarian organization—is helping Serbs just as much as it is helping Croats. But also that there are certain problems in everyday relations with people, with individuals, they do exist. I too have such problems as chairman of the Executive Council, when once in a while individuals threaten me over some particular demands. The Serbs of Zadar are just as threatened as I am. And with me, my village house was burned down and my family was expelled. Who today can even ask how threatened I am?

On the other hand, the Serbs who voluntarily joined the rebel army and who live today in occupied Croation territory, around Benkovac or Knin, can see and compare how their fellow people live here in Zadar, and how they live there. Perhaps they will realize that despite all the problems, life in the free Croatian territory is incomparable to the general cataclysm in the occupied territory.

[Marijacic] Do you think that UNPROFOR will help to overcome the current serious Croatian frustrations in any reasonable period?

[Prtenjaca] I do not believe so! The way it is now, I do not believe so. Although I who have continually said that I believe am now saying that I do not believe, although it is not a prudent political position, I do not believe so. If UNPROFOR had been assigned tasks strictly linked to deadlines and authorities, then it could have performed its function—this is something that we have said numerous times in the past. But this speculation and bartering whereby negotiations and talks go on for another three months, whereupon the rebels, after signing, go to some assembly of theirs to steal some time, and then go back to the talks, and then say that we signed, and then that we did not—while UNPROFOR passively looks on—under these conditions I cannot believe that UNPROFOR will perform its function. But that is why the conduct of the outlaw authorities should ultimately become the reason for the United Nations to change UNPROFOR's position. If that happens, I will be an optimist. But if the mandate of the protection forces is simply prolonged, renewed for a month or more, that will not actually mean anything to Zadar. Just this morning shells fell on the city, it happens every day. Given the current situation, we are skeptics. If the problem is again examined in the longer run, although the United Nations seriously grasps the situation with regard to the final refusal of the Serbs, then UNPROFOR would actually be the only one able to achieve peace without war.

[Marijacic] One last question, please: Present-day life in Zadar-Knin Zupanija is at the brink of survival. Things are hard for us, but even harder in the occupied territory. What kind of life would you want in our zupanija?

[Prtenjaca] We must look our reality straight in the eye. Life here is brutally hard, almost biological. Although we live significantly better than the other side, that is clearly no consolation to us, nor a reason for satisfaction. Because what does the so-called other side mean in this region? I maintain that there should be, territorially, only one side. Once that sort of unity is achieved, we will live as citizens. Whoever is more resourceful will live better, which will depend on one's personal relationship to work. These principles will apply in Zadar, Knin, Gracac, and every other place in the zupanija. The state will not play a particular role in this and will not prefer certain activities, as in the past. Admittedly, the state will have to devote special attention to trade and infrastructure, because those are basic assumptions for the general beginning of a new chapter in the live of the zupanija. But everything else will be a question of resourcefulness and the market circulation of capital.

Kucan, Izetbegovic Discuss War, Future Cooperation

AU1705155693 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 17 May 93

[Text] Alija Izetbegovic president of the Bosnia-Herzegovina Presidency, arrived today for a brief visit to Slovenia. At the request of Romanian President Iliescu, he was scheduled to come to Ljubljana last night. Izetbegovic was received by Slovene President Milan Kucan at Strmol Castle. Afterward, Izetbegovic left for Zagreb to hold talks with the Rumanian President. Nadja Pengov reports:

[Begin recording] Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, held a two-hour meeting with Slovene President Milan Kucan at Strmol Castle. At a short news conference later, he said the following:

He came to Ljubljana to discuss the current situation in Bosnia-Herzegovina with President Kucan and thanked him for everything that Slovenia had done for the refugees from his country and for our fair attitude toward the refugees. They also discussed other issues that will be future agendas after the war is over. He is convinced that cooperation will be successful, as the countries do not share a single open issue.

Izetbegovic is leaving now for Zagreb and will travel to Mostar tomorrow. He is convinced that the talks in Mostar will be the last opportunity to halt, as he called it, the unfortunate clash between the Croats and the Muslims, which suits one group of people but not the interests of Croatia. I hope, he also said, that Croatia will find the strength to resolve this, as this is still possible. We have never accepted the emergence of parastates within Bosnia-Herzegovina, Izetbegovic said, neither the Serbian Republic nor Herceg-Bosnia, which Zagreb formally disapproves of but in reality insists upon. We shall demand that the peace plan be realized, although we are not exactly thrilled by it either. They expect concrete decisions from the UN Security Council members on 21 May.

Regarding the afternoon talks with Romanian President Iliescu in Zagreb, Izetbegovic will, as he said, brief him on the situation because he believes that statesmen from certain countries do not have realistic information about the war in Bosnia-Herzegovina.

President Proposes UN Protectorate for Bosnia

LD1705201093 Hamburg DPA in German 1905 GMT 17 May 93

[Text] Mainz (DPA)—Milan Kucan, president of Slovenia, the former Yugoslav republic which has now been independent for two years, proposed in an interview with the (Tuesday edition) of the ALLGEMEINE ZEITUNG newspaper in Mainz that the United Nations should declare Bosnia-Herzegovina a UN protectorate and safeguard the enclaves of the three ethnic groups by bolstering the number of UN troops in the region.

"Croats and Serbs must give up their ambitions of dividing Bosnia-Herzegovina," Kucan is quoted by the paper as saying. He believes it will be impossible to implement the Vance-Owen plan to create ten provinces in Bosnia-Herzegovina. "There will be three or four ethnically separate regions," he said.

An increased number of UN peace troops should be given greater powers to monitor the borders of the Muslim enclaves as well as Bosnia's borders with Serbia and Croatia. "The Bosnian Serbs get weapons from Serbia and the Bosnian Croats get their weapons from Croatia. It is only the Muslims who get nothing," he said. In response to a question about whether the arms embargo should be lifted with regard to the Muslims, Lucan replied: "This demand is pure cynicism and would not solve the problem."

The interview was released to DPA in edited form.

Iliescu Assesses Talks With President Kucan

AU1805050793 Bucharest ROMPRES in English 1827 GMT 17 May 93

[Text] Ljubljana, ROMPRES, 17/5/1993—Monday, May 17, in the morning, President Ion Iliescu, met President Milan Kucan.

"I am fully satisfied with my discussions in Slovenia, where I could see the parties wanted to develop their ties despite difficulties," The Romanian president showed discontent at the continuation of military confrontation in Bosnia-Herzegovina. "We do not intend to forward other proposals now. Despite its imperfection the Vance-Owen plan should be a basis for talks. The first priority is to put an end to the conflict, to ensure the observance of the integrity of Bosnia-Herzegovina, and negotiations should start for solutions acceptable for all parties. Of course, I cannot say for sure that the creation of the ten distinct zones is a solution, which remains a detail. I think President Kucan was realistic in this respect, but the first thing to do is the ceasefire, and in the absence of another plan, the existing one has to be applied."

I think that the visit was useful, it has proved that there are interests and ways to expand the links between Slovenia and Romania, said President Milan Kucan. He expressed satisfaction that Romania, a neighbor of former Yugoslavia, was willing to participate in the peace process.

Views 'Identical' on War

AU1705172593 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 17 May 93

[Text] Romanian President Ion Iliescu ended his four-day visit to Slovenia this morning and left for Zagreb to meet with Croatian President Franjo Tudjman. Matej

Surc reports from the news conference held after the meeting between Iliescu and Kucan:

[Begin recording] The presidents were pleased with the visit. The talks were useful and contributed to the strengthening of bilateral relations and sharing of views on the Balkan crisis. Romania is expecting a visit by Kucan, and until then they will do everything necessary for the signing of a bilateral agreement through which they will regulate further political and economic relations, primarily concerning transportation and foreign investment issues.

Bilateral relations are hindered substantially by the situation in the Balkans, so both countries favor ending the war as soon as possible. Iliescu admits that after the talks with Kucan, he obtained a different, and primarily clearer picture about the events in former Yugoslavia. In his opinion, the situation in Bosnia-Herzegovina continues to deteriorate, primarily because of Croatian meddling, while the referendum of the Bosnian Serbs also contributes to the exacerbation of the situation. Iliescu agrees that the warring sides must comply with the Vance-Owen plan, which safeguards the territorial integrity of Bosnia-Herzegovina. Although the peace plan has numerous shortcomings, it can serve as the basis for further negotiations. Romania does not have any additional proposals for resolving the crisis. Iliescu stressed that the Romanian views are now practically identical to those of the Slovenes, and that he will convey the conclusions from the meetings with Kucan and the Bosnia-Herzegovina foreign minister to Zagreb and Belgrade.

Iliescu expressed disappointment that Izetbegovic could not come to Slovenia for security reasons. There is a possibility that a Iliescu-Izetbegovic meeting will be held soon.

Kucan reiterated the Slovene proposals for resolving the Balkan crisis. He warned that time is still on the side of the occupier. The increasingly growing opinions that the war in Bosnia-Herzegovina is a civil war are merely delaying the solution. All three sides involved in the war—in Zagreb, Belgrade, and Sarajevo—must be interested in a peaceful outcome. It is the United Nations that must safeguard the survival of the sovereign state, which includes the Croats and Serbs. Belgrade and Zagreb cannot take part in the talks on the internal organization of Bosnia-Herzegovina, however, because this is an internal matter between the Bosnia-Herzegovina state and the UN, Kucan also stressed. [end recording]

Government To Reorganize Intelligence Service

AU1805094393 Ljubljana DELO in Slovene 14 May 93 p 1, 2

[Report by Marko Jakopec, Diana Zajec: "Government Will Reorganize Intelligence Service"]

[Excerpt] Ljubljana 13 May— After last night's long and stormy debate in the State Chamber commission for supervision of intelligence services, which lasted well beyond midnight and resulted in a lot of new findings, one would have expected that the government would discuss these findings, too. At the news conference held after the government session we have learned, however, that the ministers did not discuss the VIS [Security-Information Service]-HIT affair directly, but were briefed on the envisaged reorganization of the Security-Information Service, which was presented to them by VIS chief Janez Sirse.

Mile Setinc, director of the government's information bureau, said that the changes in the VIS envisage novelties in the organizational forms and changes in VIS's legal position. According to the plan, the service would no longer be called the VIS, but would get a brand new name, the Slovene Intelligence-Security Agency [SOVA], and would also comprise the present Military Security-Information Service (VOMO). He added that the content of the law is already prepared. The law envisages the adoption of numerous regulations that would regulate the internal functioning of this service. The VIS has not known them so far. According to Setinc, the regulations should resolve the problems that have been occurring so far. We have also learned that the content of the prepared law and the envisaged regulations will first be discussed by the responsible government bodies, among which is also a three-member commission for the supervision of the realization of the authorities of the VIS chief. As he added, the law's main objective is to secure a consistent enactment of the principle that the security-information service is organized exclusively for the protection of the Slovene society from the negative influences from abroad. In no case must the VIS be involved in the internal political affairs, and even less, influence them. When asked by a reporter whether the government today also discussed Janez Sirse remaining the VIS chief, Setnic answered that the government did not discuss this. He assured that the government did not discuss cadre matters at all today, and especially not the VIS chief. [passage omitted]

State Assembly Adopts 1993 Budget

93BA0974B Ljubljana DELO in Slovene 26 Apr 93 p 2

[Article by Jana Taskar: "State Assembly Has Adopted Budget for This Year"]

[Excerpt] It seems that the Constitutional Court will have to decide whether the budget was adopted according to the rules of the game; the SLS [Slovene People's Party] deputies are criticizing the government parties' dictatorship.

Ljubljana, 25 Apr—During the first hour of the morning on Saturday, the State Assembly adopted the state budget for this year. The Constitutional Court, however, will obviously have to decide whether the budget was adopted according to the rules of the game. The People's Party deputies, who prepared very well for the procedural process and accordingly appeared at the speaker's

rostrum several times (most frequently Zaro Pregelj), in fact, have already announced that they will propose proceedings before the Constitutional Court.

The nucleus of the deputies' disputes and divided opinions was the government's amendments. In fact, when the deputies decided on all of the approximately 240 amendments to the budget, the amount of the budget was increased by approximately 6 billion tolars, since through the amendments they also "crossed out" the budget's legal obligations on the basis of international agreements, which obviously cannot be changed except by amending laws, and cannot be crossed out at all. Without taking those obligations into account, however, it is somewhat more than 2.25 billion tolars. At Friday's meeting the government, which set the size of the budget revenues and expenditures at a maximum of 291,725,228,842 tolars, did not consent to increasing the budget, and therefore proposed the adoption of three amendments through which the budget deficit, and the budget's borrowing through the reallocations, would be increased only by about 16 million tolars.

The parent body in the State Assembly, the Committee for Finance and Credit-Monetary Policy, supported the government's decision, since, as the committee's report said, through its proposal the government tried to preserve the basic goals while keeping the budget within the possible upper limit, and made certain reallocations which satisfy specific requirements that are reflected in the amendments adopted. According to the report, the committee in fact re-emphasized that the total size of the budget should not increase.

And now procedural complications have occurred. The People's Party, and also the Democrats, in fact claimed that it was not possible to vote on the government's amendments, since, as Tone Persak (Democratic Party), for instance, pointed out, they would cancel the amendments adopted by a large majority, and, as the People's Party deputies claimed, they would violate not only the State Assembly's rules of procedure, but also the Constitution.

The procedural proposals from the People's Party included several possibilities, from the one that the budget should be sent back to the draft stage, to the one that the government should withdraw the budget proposal. To be sure, the deputies almost unanimously rejected the first possibility, returning the budget to the draft stage, and the government did not withdraw the budget proposal. Consequently, the only possibility left was a vote on the government amendments to the budget, on which the State Assembly's leadership decided after a short recess because of procedural complications—since if the State Assembly adopted an uncoordinated budget, as they claimed, it could not be valid.

When the vote took place, and the independent deputies' group walked out of the State Assembly session, that was also the end of all the discussions, since according to the provisional rules of procedure discussions are not possible if at least one representative of each deputies' group is in the hall. The People's Party deputies, to be sure, remained in the hall, but neither confirmed their presence nor voted. Even before the vote, however, they announced that the government parties had decided to manipulate parliament and introduce a government dictatorship, and thus also the system of socialist self-management, when delegates had to accept everything, since in their opinion they only could have decided on the budget as a whole, but not the government's proposed amendments as well. In short, as they pointed out, the government parties would act illegally and unconstitutionally if they passed the government's amendments.

The latter were finally passed, with almost 70 deputies in the hall; approximately 10 fewer confirmed their presence, and the decisions were adopted by somewhat more than 50 votes. Also adopted were the government's proposed resolutions—that it would propose a law on the payment of special import duties for importing agricultural products and foods, and that by 1 August it would propose a multiyear program for equipping the army with air defense combat systems, communications systems, and anti-armor systems, and propose sources of financing.

Likewise adopted was a resolution by the parent committee that by 1 July the government would prepare a law on military pensions, which would thereby be made equivalent to civilian ones, and also a package of resolutions proposed by the parent Committee for Finance and Credit-Monetary Policy and by individual members of that committee. The outcome of the decision-making on the state budget for this year will perhaps be shown as early as Wednesday at the State Council's meeting. [passage omitted]

Government Pursues Policy of Economic Stability

93BA0968C Ljubljana DELO in Slovene 21 Apr 93 p 3

[Article by Bozena Kriznik: "The Government Intends To Continue a Policy of Relative Stability"]

[Text] *There is no real basis for a policy of economic growth, since neither transformation nor privatization has been completed, Dr. Drnovsek said; the situation is also aggravated by the world recession; will more workers participate in privatization?*

Ljubljana, 20 Apr—The Slovene Government is closely monitoring economic events. In doing so, it has determined that the situation is also being aggravated by the international economic recession, something that we are perhaps too little aware of. A difficult battle for every market, for every product that we sell abroad, awaits us. The government's economic policy, Prime Minister Dr. Janez Drnovsek said at today's news conference, should continue to remain as the government outlined it recently, since its stabilization orientations are correct and realistic.

The government has recently conducted several talks with economists and institutions. With representatives of the Bank of Slovenia, it assessed monetary and especially exchange rate policy, in view of the vocal demands from directors that the exchange rate be changed. They determined that at this time there is still no possibility for any major changes in the exchange rate, and consequently there will be no administrative interventions in the exchange rate. The government, however, recommended to the Central Bank that it use refined instruments for the market adjustment of exchange rate trends, so that the exporters' position would be improved at least to some extent. The government intends to continue a policy of relative economic stability, i.e., we can continue to expect approximately as much inflation as in recent months. Those trends are feasible with the instruments that the government has available. The government is to continue to relax prices in the public sector gradually and adjust them to world prices, but not at the cost of excessively rapid inflationary growth.

In Janez Drnovsek's opinion, the calls for the government to decide anyway on a policy of economic growth and development and not on stabilization do not have any realistic basis. For the most part enterprises cannot invest, since neither transformation nor privatization has been completed.

The measures to date in the area of income policy have so far led only to a slight decline in those trends, but more noticeable effects should be shown in two months. The government, however, is already preparing for new negotiations with the trade unions on ensuring social stability. It will try to convince the trade unions that the only possibility is to halt the growth in personal incomes (in the prime minister's opinion, a slight real decline in them would even be economically justified), with the assumption of lower inflation and with the assumption that most enterprises will be transformed and privatized this year. In exchange for social peace, the government is prepared to accept some of the trade union's demands in connection with the property transformation of enterprises. Specifically, in this process workers are to be granted that part of wages in the past that was calculated according to the collective contract but not actually paid. Also acceptable to the government is the trade unions' proposal of increasing the discount in the case of the internal purchase of shares from 25 to 50 percent. More workers could thus participate in privatization, and privatization would be fairer.

When the government verified the solutions in the privatization law, it also arrived at the conclusion that the status of investment companies should be changed. According to the experiences of eastern countries, decentralized funds are more active, which means that they should not be appointed by the state, but should rather grow "from the bottom up," in accordance with the principle of entrepreneurial initiative. That would also reduce the possibility for corruption.

Parliament Establishes Investigative Commission

93BA0968E Ljubljana SLOVENEC in Slovene 24 Apr 93 p 1

[Article by J. Va.: "Polonca Dobrajc Will Head the Investigation"]

[Text] Ljubljana—In accordance with a decision adopted by the State Assembly, the Commission for Elections, Appointments, and Personnel Matters met yesterday. It discussed a draft decision on the composition of a commission for a parliamentary investigation and on its appointment.

The Commission for Elections and Appointments only finished its discussion in the afternoon, and formulated a draft decision on the composition of the commission for the parliamentary investigation of the suspected misuse of public authority in the operation of the HIT enterprise and in other cases. As chairman of the commission, it proposed to the State Assembly SNS [Slovene National Party] member Polonca Dobrajc, a graduate lawyer from Ljubljana.

The members of the commission will be Marjan Podobnik (SLS [Slovene People's Party]), Igor Bavcar (DS [Democratic Party]), Joze Lenic [LDS [Liberal Democratic Party]), Joze Jagodnik (ZL [United List]), Dr. Leo Seserko (Greens-ESS [Ecological Party of Slovenia]), Ivo Halica [SDSS [Social Democratic Party of Slovenia]), and Marijan Poljsak (SNS-SPS [Slovene National Party-Slovene Peoples Party]). The most polemics were caused by the opinion of Zoran Thaler (LDS) that all those who were state officials (ministers, etc.) before the election of the present government, and those who "crusaded" for the decree on the parliamentary investigation were not suitable as members of the commission. Those criticisms were directed against the candidacy of Igor Bavcar (DS) and Marjan Podobnik (SLS) for members of the commission, as also confirmed by the discussion of specific names. The DS and SLS representatives did not agree with it. After lengthy persuasion, a majority of the commission confirmed only the candidates of the other deputies' groups, and called upon the DS and SLS to propose "more suitable ones."

In the afternoon, the commission nevertheless confirmed the proposals rejected in the morning. In voting on the chairmanship of the investigative commission, Podobnik did not receive sufficient support, and Dobrajc was elected.

Conference on Armed Conflicts in the Balkans

93BA0968B Ljubljana DELO in Slovene 21 Apr 93 p 1

[Article by Ursa Izgorsek: "Causes and Consequences of the Conflict in the Balkans"]

[Text] *More than 70 participants from 14 countries are participating in a three-day international conference in Ljubljana.*

Ljubljana, 20 Apr—Today, a three-day international scientific conference on "Armed Conflicts in the Balkans and European Security," which was prepared by the Slovene Defense Ministry's Strategic Studies Center in cooperation with the Foreign Ministry, began in Ljubljana. More than 25 recognized experts on strategic and security issues, international law, international politics, and national security from 14 countries will participate in the conference with papers, and the participants, of whom there are more than 70, also include several foreign ambassadors in Ljubljana.

The conference was opened by Slovene Foreign Minister Lojze Peterle and Defense Minister Janez Jansa. Peterle told the audience that the idea of the conference was born as early as last year, and its main purpose was to identify and analyze, in cooperation with international experts, the causes and conflicts of armed conflict in the Balkans and to contribute to stabilization and a peaceful settlement. Slovenia has been involved the whole time in trying to eliminate the crisis, and part of this was its recent proposal provided to the UN Security Council. Peterle emphasized that the security of all Europe depended upon lasting peace in the Balkans, and added that our country supported the idea of an international conference on arms reduction in the Balkans.

Janez Jansa described to the participants of the conference in more detail the Slovene initiative, i.e., a supplement to the Vance-Owen peace plan, which proposes that the plan start to be implemented immediately on the territory of both signatories. The UN forces should be joined by an additional 30,000 members of armored-mechanized units, which, by controlling several areas and other measures, would gradually prevent the Serbs from continuing to seize territory and force them to negotiate. The defense minister thought that all other plans were unrealistic and questionable, and called upon anyone who could help to calm the tensions in the Balkans to make an effort to do so.

Federal

Cosic: U.S., Europe Guilty of 'Moral Nihilism'

LD1705151593 Belgrade TANJUG in English 1353 GMT 17 May 93

[Text] Belgrade, May 17 (TANJUG)—President of the Federal Republic of Yugoslavia (F.R.Y.) Dobrica Cosic stated Monday [17 May] that the blockade, isolation and sanctions against the F.R.Y. (Serbia and Montenegro) and the demonization of the Serbian people were a beginning of new tyranny against any acceding to a lack of freedom, independence, equality among nations.

Addressing members of the Doctors' Societies of Serbia and Montenegro as well as the health care officials Cosic said that "we have real reason to interpret the misfortunes that have befallen us above the level of domestic and vulgar politics and struggle against evil which has an epochal energy and constituted danger for all small nations who stand by their identity, freedom and the values which form their backbone."

He spoke at the consultation in Belgrade devoted to the effect of the sanctions on the people's health and that of the coming generations.

President Cosic said he expected the doctors would at this meeting focus primarily on and set out their "competent view about the brutality and absurdity of the punishment by the international community meted out to the people of Serbia and Montenegro, which sentenced them to sickness, suffering and dying."

"What is happening with the world in which its collective political mind has transformed into an inquisition consistory which condenms a whole people without a right to appeal. To these and similar questions, I have my own answer," said Cosic and continued: Everything is permitted. It is permitted to confine in a ghetto a whole nation which seeks the right that is allowed to everyone, a nation with whose political regime the rulers of the world are dissatisfied and condenm this nation to suffering, ruin, destruction.

In Cosic's view, it was permitted for a state to for the most part unsuccessfully beg a sanctions committee for the right to buy and import medicaments and medical equipment. It is permitted for the World Health Organization (WHO), which is supposed to be founded on the Hippocratic oath and humanism, to excommunicate some twenty thousand doctors in the F.R.Y. because their state was accused of being the aggressor in the former Yugoslav Republic of Bosnia-Herzegovina, and it is clear for the whole world to see that a civil war raged there. It is not, however, permitted for citizens of Serbia and Montenegro to undergo scanner examination, to be treated with antibiotics, to have an ailing kidney or cancer operated on, said Cosic.

Christian Europe and the United States of America made human consciences blackened by institutionalizing this type of moral nihilism. And with the conscience, shame died too. And where there is no conscience and shame, every evil and every injustice is left unbridled, concluded Cosic.

The consultation was also attended by Yugoslav Prime Minister Radoje Kontic and over 30 representatives of scientific institutions, the federal and the republic Health Ministries, Doctors' Societies of Serbia and Montenegro and others.

The meeting participants will adopt conclusions which are to be addressed to the Yugoslav and the world public, Federal Health Minister Velibor Popovic said.

Bosnian Refugees Turn Out To Vote in Referendum

LD1705150893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1210 GMT 17 May 93

[Excerpt] Belgrade, 17 May (TANJUG)—According to unofficial reports from the secretariat of the Association of the Serbs from former Bosnia-Herzegovina, around 10,000 citizens have turned out to vote in the referendum on the Vance-Owen plan in Belgrade by noon [1000 GMT] today.

The secretariat stresses that the turnout by refugees and citizens who originate from former Bosnia-Herzegovina is huge, despite the fact that a decision to organize the referendum [in Serbia] was made at the eleventh hour, on Saturday. [passage omitted]

Kontic, Libyan Envoy Discuss Bosnian Conflict

LD1705224193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1708 GMT 17 May 93

[Text] Belgrade, 17 May (TANJUG)—Federal Prime Minister Radoje Kontic today received Libyan President Mu'ammar al-Qadhdhafi's special envoy, 'Abd al-Salam al-Turayki.

As announced by the Federal Information Ministry, the two men mostly discussed ways and means for resolving the crisis in Bosnia-Herzegovina during their one-hour, frank, cordial, and friendly talks.

Al-Turayki acquainted Prime Minister Kontic with Libya's readiness to contribute to the holding of the truce and the preservation of conditions for the continuation of negotiations between the warring sides, as well as finding ways for a peaceful resolution to the crisis in Bosnia-Herzegovina. He also underlined that resolutions for the conflict could best be found in direct negotiations between representatives of the nations living in Bosnia-Herzegovina. In this respect, it was announced, Libya will do all it can in al-Turayki's upcoming peace mission.

Prime Minister Kontic informed al-Turayki about the causes of the crisis in Bosnia-Herzegovina and the policies of the Federal Republic of Yugoslavia concerning

the resolution of the Yugoslav crisis, stressing the importance of the preservation of the cease-fire and continuation of negotiations, and underlining that the FRY will uphold any agreement reached by the three constitutive nations [in Bosnia-Herzegovina].

Iraq, FRY Allegedly Sign Military Agreement

93BA0968D Ljubljana DELO in Slovene 21 Apr 93 p 9

[Article by Kresimir Meler and Mirjana Glusac: "How the FRY and Iraq Are Pulling the World's Nose"]

[Text] *General Panic and Iraqi Defense Minister al-Majid concluded a trade agreement, which conceals a well-planned arms trade; interesting transactions and evasion of the sanctions.*

From our colleagues.

If anyone still doubted the truth of the information published in the press about the close cooperation between the FRY and the VJ [Army of Yugoslavia] General Staff, and Iraq and the Iraqi Army, after the latest "excursion" by chief of the VJ General Staff Zivota Panic in Baghdad, all his doubts were probably dispelled, since the wall of silence unusual even for Belgrade into which curious journalists ran when they asked about the contents of the talks between General Panic and Iraqi Defense Minister Ali Hasan al-Majid demonstrates that Panic's task was not to collect at least part of the gigantic amount that Baghdad owes Belgrade, and even less to make merely a courtesy visit. On the contrary, in the meetings, which were also attended by General Milorad Dragojevic, who is responsible for the defense industry and is Panic's eminence grise, deputy chief of the Security Administratin Ljubodrag Stojadinovic, and several other high-level officers, they talked about measures to prevent "the imperialists' intention of undermining the nonaligned countries Iraq and Yugoslavia."

The memorandum on political, technical, and scientific cooperation furthermore states that "both sides determined that American and British imperialism are trying to destroy first of all Iraq and Yugoslavia, which are cornerstones of the nonaligned movement, and then the entire movement as well. The final goal of that activity by the capitalist imperialists is to have the developing countries, the nonaligned countries, and those that drove out the imperialists through a war of liberation, become dependent upon them. For that purpose, the United States is providing large amounts of aid to the governments of those countries, and trying to portray the aid as humanitarian and intended for economic development." And how are they to counter the "subversive role of U.S. imperialism"?

Primarily through effective cooperation among the countries that are threatened by imperialism and against which a military, economic, and political blockade has been instituted. Since for the time being they include primarily the FRY and Iraq, Generals Hasan al-Majid and Zivota Panic agreed that it was urgently necessary to establish some sort of military-economic union that would establish contacts with friends abroad and thus easily evade the sanctions or at least alleviate them. To start with, they concluded a trade agreement. To be sure, it is somewhat unusual for such agreements to be signed by generals, but the matter can possibly be explained more easily on the basis of the clarifications that we received from independent reliable and well-informed sources. According to their information, that agreement actually conceals the trading of arms, military equipment, and products that have strategic significance for the normal operation of the military capabilities and industry of both countries.

General Panic proposed to Iraq that the VJ continue to take care of servicing and repairing Iraqi military aircraft, tanks, and other military equipment. Furthermore, through enterprises registered in Western Europe, the FRY would purchase the weapons and equipment needed by both sides to renew their military capabilities. In order for this to proceed without difficulties, they agreed with the London firm Hugo Wincler, which deals with the registration of foreign enterprises, on establishing a joint representation in Vienna.

And what are the arms procurement transactions to be like? An enterprise registered in any country to which the international embargo does not apply would buy the necessary amount of light and heavy weapons on the open market. The final customer, of course, would be a third country, for instance Russia. It would then "renounce the purchase" and seek a country or international enterprise to which it would sell the weapons already ordered. The fictitious customer would, of course, receive a commission (several percent of the value of the transaction), and thus it would decide where the cargo would be sent. Thanks to contacts with the Russian mafia and political circles in the CIS, and also with international arms smugglers, they agreed that the cargo would be unloaded in one of the Greek or Italian ports where there are representations of Jolly Tours, Fudex, MAGtravel, or Corridor. Those recently registered enterprises (it would be interesting to investigate the source of the founding capital) specialize in cooperating with countries in which the Serbian lobby is clearly powerful and in which the FRY and the Security Administration, and the Iraqi intelligence service, have representations registered in the name of a local citizen of Serbian or Iraqi nationality, or even strong intelligence centers. Thus, for example, it has already been learned that Jolly Tours will be exclusively responsible for Cyprus and the Mediterranean islands, Corridor for business with Beijing, Budapest, and Zurich, Joka-agent and Sigma Tours for business with Italy.... It is almost certain that some of them will do business under other names, so that international inspection could not trace them. It is also significant that Panic and al-Majid agreed on establishing new firms in the Mediterranean that would purchase and also sell other goods needed for normal life of the populace. In this regard an important

role will also be played by the well-known Boss Jezda, who will establish two new enterprises in the names of local citizens, and Australian citizen Dragan Vasiljkovic. The enterprises will engage in banking, and also exports and imports, and the Iraqi government has contributed part of the founding deposit.

The same thing also applies to the Karic Bank. We have not yet stated the most interesting thing—Zivota Panic and his Iraqi colleague agreed that in return for the weapons that the FRY will send to the Iraqi Army, it will not request payment in money; instead, Iraq will pay the debt partly with oil, and partly with accelerated deliveries of surface-to-surface missiles of Chinese, Indian, and Russian manufacture, with ranges of 120, 600, and 1,200 km, air-to-air missiles, air-to-surface missiles, and surface-to-air missiles, and components for the defense industry, which the VJ needs to carry out the joint projects for the so-called super cannon and the M-89 tank, the prototype for which was already tested during recent maneuvers in southern Serbia. An important characteristic of this tank is that it will have armor that will protect it against anti-armor weapons. Iraq will also provide the FRY with equipment for an antiair "umbrella" over strategic targets. In this regard Jezdimir Vasiljevic is still the main supplier of weapons, oil, and other goods for the FRY, and also other countries to which an embargo applies. Through the mediation of "friendly" circles in Israel, arms trading enterprises have already been established in Tel Aviv and Jerusalem as well.

Consequently, there is no indication that the international embargo will force Serbia and Iraq to give up their warfare and respect the UN Security Council resolutions. At Zivota Panic's initiative, they will even purchase through illegal channels new radar systems for early warning of enemy aircraft, and also spare parts for aircraft. At the same time, they agreed that Iraq would sell or exchange for other goods 10 to 15 MiG-23 (FLOGGER) aircraft, and the VJ would take care of repairing the Iraqi Army's aircraft. That will probably be included in the price of the MiG's. Some of the goods will travel from Iraq to the FRY and vice versa by sea, and some by air. The Greek firm Olimp-Trade will probably also participate in this. Part of this business will be fictitiously covered by the activity of the Passport-Zepter Group enterprise, which is establishing a representation in Budapest, and the fictitious owner will probably be a Hungarian or possibly a Croatian citizen, since there are also enterprises in Croatia that are more or less openly doing business with Serbia or are branches of Serbian enterprises or the property of Serbs from Bosnia-Herzegovina. They are mostly smaller private enterprises, which frequently change their names, and sometimes also their owners, and consequently it is actually impossible to trace them. Just as in Hungary and other countries, it is also possible in Croatia to register an enterprise abroad without much difficulty, without its being well-known who the real founder is, and also mixed and resident enterprises.

All of this, of course, will benefit both Husayn and Milosevic and some of their ministers, since the agreement also provided for a commission that the government would receive for "handling expenses." It will be forwarded to the residential accounts of the Iraqi or Serbian government and individual members of them. The irreplaceable Jezda Vasiljevic, who according to the above-mentioned reliable source was in contact with Zivota Panic throughout his visit to Iraq, is connected with most of them, certainly not without cause and not without Milosevic's authorization.

Former JNA Security Chief Vasiljevic on Trial

93BA0974A Ljubljana DELO in Slovene 24 Apr 93 p 7

[Article by Kresimir Meler: "How To Get Rid of an Unwanted Witness"]

[Text] *The indictment, which was obviously compiled in Milosevic's office, accuses Aleksandar Vasiljevic of all sorts of things, but the main problem is that he knew too much; Milosevic's embezzlements and private intelligence service.*

From our colleague.

On the way to our planned goal, we may be blocked by the presence of another individual, but our idea will be realized in spite of that, because he also tries to achieve his goal and is blocked in it by someone else, says Sodd's First Law. The former chief of the JLA [Yugoslav People's Army] Security Administration, Major General Aleksandar Vasiljevic, is also probably thinking about this when he sits on the defendant's bench because of three serious crimes that he allegedly committed—abuse of his official position, negligent performance of his official duties and the acceptance of a bribe, and the betrayal of a military secret.

According to the indictment, Vasiljevic, "on 17 September 1992 handed over to the Ministry of Internal Affairs of Bosnia-Herzegovina, without payment, 100 bulletproof vests, worth about $106,000." Just as Enver Hoxha once accused his right-hand man Mehmed Shehu of being a triple spy, because he threatened his position, the Belgrade military prosecutor, Major Djordje Trifunovic, has also accused General Vasiljevic of a whole series of really incredible things—among other things, that "on 23 October 1991, he ordered subordinate officers to turn over to the Bosnia-Herzegovina Ministry of Internal Affairs, through the federal directorate for the sale of defense industry products, a large amount of weapons and military equipment. At that time it was already obvious that the Bosnia-Herzegovina Ministry of Internal Affairs would use those weapons in an armed conflict with JLA units, in the battle for secession from Yugoslavia."

Arbitrary Changes

There is still no end to the surprises from the indictment. It is thus stated that "Major General Vasiljevic negotiated without authorization with representatives of the Croatian authorities on an exchange of military prisoners. He used his authority as a very influential officer and order leading officers in military justice to release Anton Kikas from prison. With General Vasiljevic's mediation, the so-called Split group, Ivan Begonja, Matej Sabljic, Branko Glavinic, and Roland Zvonaric, were released from prison in Foca; he took them to Zagreb, where they were exchanged for a group of Yugoslav officers, including also Major General Milan Aksentijevic." So says the indictment, which was obviously compiled in Milosevic's office. Since along with the indisputable fact that General Vasiljevic is one of the war criminals, one should also be aware that he began to experience such a fate at the moment when he learned from reliable people that on orders from General Bozidar Stevanovic and the retired Nedeljko Boskovic, a relative of Branko Kostic (the air force and air defense), the Opera group had been established, the mission of which, in addition to terrorist actions in Croatia, was also to gather information and "conduct other activities" in order to expel "waverers and defeatists" from the JLA. Immediately after Opera's establishment, also established was a "private enterprise for radio-television programs and domestic trade, Opera Orientis," registered in the name of a former archivist at the Croatian LC Central Committee, Radenko Radojcic. Colonel Slobodan Rakocevic, then chief of the air force and air defense security administration, was appointed the head of Opera. As long as the generals only dealt with activities in Croatia, everything was just fine. A problem occurred, however, when Vasiljevic learned that Opera, i.e., a group of lower officers, colonels, and generals, had started to forge plans against the General Staff, especially Veljko Kadijevic and the Security Administration, because it was not satisfied with their "lukewarm policy." The difficulty, of course, was not just with the "lukewarmness" of the military leadership at that time, but also with the fact that Vasiljevic had a whole series of data on the embezzlements through which Slobodan Milosevic, Jezdimir Vasiljevic, Nedeljko Boskovic, Bozidar Stevanovic, and a handful of other Serbian politicians appropriated and forwarded to accounts in Cyprus (and other countries) several hundred million marks, and the amount probably further increased substantially after the flight of Boss Jezda.

Furthermore, Opera supported Goran Hadzic, Vojislav Seselj, and his adherents. In order to be as well informed as possible, Vasiljevic infiltrated the group with his close colleague, Lt. Colonel Radosav Mitrovic, and at the same time he started to wiretap the conversations of Bozidar Stevanovic, Slobodan Milosevic, Major General Nedeljko Boskovic, and a handful of other officers in Opera's leadership. It was thus learned that Milosevic, Boskovic, and Jezdimir Vasiljevic, in purchasing bullet-proof vests and other military equipment in Israel and on the Russian black market, earned about 20 percent of the ordered value, of which they paid 5 percent to middlemen in the countries from which the goods came.

Plans for a Coup

Thanks to Mitrovic's information, a scandal erupted on 27 September 1991, when Vasiljevic was informed that on the following day they intended to carry out a coup against Kadijevic and the officers who supported him. And actually, on 28 September, commander of the guard brigade Colonel Mile Mrksic and Vuk Obradovic came to Blagoje Adzic's office and demanded that he assume Kadijevic's position and lead the JLA into a decisive battle. They also said that they did not want to go to Vukovar, "because the traitors ordered other areas to be abandoned without a bullet's being fired." Vasiljevic, whom Mitrovic informed about everything by radio communications from the area near Ruma, immediately rushed to Adzic's office on the second floor of the Federal Secretariat for National Defense building, where only Mile Mrksic and Veselin Sljivcanin were present. He succeeded in persuading them to give up the planned coup, and in two or three days the guard brigade, with Mile Mrksic and Veselin Sljivcanin, left for Vukovar.

Private Intelligence Service

At that time General Vasiljevic made a mistake for which Milosevic could not forgive him. Specifically, he started to investigate who had instigated the coup, and determined that "a culprit has to be found for everything that is happening at the front. The forced departure of Veljko Kadijevic would be the ideal solution, because all the blame would fall on him. I maintain that the state presidency and the Serbian leadership wanted General Kadijevic to leave," General Vasiljevic later stated. In a report addressed to the president of the state (at that time still the SFRY) and the General Staff, the culprits behind the attempted coup were also clearly named. It was stated that on 28 September 1991, Veselin Sljivcanin, Ratko Mladic, Mile Mrksic, Bozidar Stevanovic, Ljubomir Bajic, and several other high-ranking JLA officers, including Vuk Obradovic as well, met at Topcider. The initiative for the meeting, as well as for organizing the attempted coup, came from General Nedeljko Boskovic, whose ambitions were never realized and who was retired just before the beginning of the war in Croatia.

Mitrovic continued to report to Vasiljevic, and the latter thus learned that they intended to retire forcibly the entire General Staff and to imprison several people, and also that Opera was actually the private intelligence service of Branko Kostic, Bozidar Stevanovic, and, of course, Slobodan Milosevic. According to a statement by General Blagoje Adzic, and also according to reliable information from the VJ [Army of Yugoslavia] General Staff, upon the retirement of the first group of generals in February 1992 Kostic's relative Milorad Dragojevic was appointed Assistant Federal Secretary for National Defense for the defense industry sector; Dragojevic received accelerated promotion from Major General to

Lt. General. On the day of Aleksandar Vasiljevic's removal, General Boskovic rushed to the KOS [counterintelligence service] offices escorted by special forces, and thus assumed his duties even before Vasiljevic was informed that he had been dismissed. At that time Vasiljevic was in Sarajevo, and several days beforehand, at a meeting of the group of generals (again) headed by Nedeljko Boskovic, they accused Kadijevic, Stane Brovet, Adzic, and Vasiljevic of planning a military coup against Milosevic and his people. Radosav Mitrovic was found dead on Avala, and the reason for his death was probably a document from the Security Administration signed by Nedeljko Boskovic, which said that "it is necessary to investigate the involvement of several active VJ officers in activities to prevent the removal of Veljko Kadijevic and others, especially the individuals who launched the initiative for trying the members of Opera, because those activities were directly aimed against Serbia and the interests of the Serbian people. Particular attention should be paid to Andrija Raseta, Blagoje Adzic, Aleksandar Vasiljevic, and Radosav Mitrovic."

And what about the indictment? It was precisely Vasiljevic who launched the initiative for more intensive arming of the policemen of Serbian nationality who later joined the Chetniks. In cooperation with Alija Delimustafic, the Bosnia-Herzegovina Ministry of Internal Affairs was infiltrated by numerous KOS operatives and Federal Secretariat for Internal Affairs inspectors, and that has ensured a link with Knin to the present day. It also prevented the fulfillment of Jerko Doka's plan to active territorial defense and institute a state of emergency in Bosnia-Herzegovina. Furthermore, as early as 1990 the very leadership of the SDA [Party of Democratic Action] was infiltrated by two KOS agents, who are still active and have caused conflicts between the Croats and the Muslims by acting like Islamic extremists. According to the documents available, the issue of weapons was approved by Marko Negovanovic himself, the present Serbian defense minister, in cooperation with Milorad Dragojevic and Nedeljko Boskovic.

Vasiljevic is obviously an extremely unwanted witness, and that is why he has to be presented as a Croatian spy and a traitor to Serbian interests, with his sins also including the statement that "a purge was carried out in KOS in favor of ethnic considerations and to the detriment of professional ones." When it is done, a considerable part of the Serbian public will understand all the statements by Aleksandar Vasiljevic and the other "spies" as provocations by "people who sold their souls." And then no one will care about them at all if they simply disappear some fine day.

That future does not please Nedeljko Boskovic, just as Milosevic is obviously not pleased by Boskovic's outburst of sincerity, in which he acknowledged the known fact that Belgrade is openly supporting the rebel Serbs in the Krajina. For General Boskovic, the discovery that he was the one who organized the (failed) attempt to assassinate former air force and air defense commander Zvonimir Jurjevic would be no less unpleasant. The assassin has not yet been discovered, but it is possible to learn from reliable and well-informed sources that it is international criminal and KOS collaborator Dragan Rumenic, who is also well-known to the Austrian and German police.

Serbia

Trade Unions Announce General Strike 19 May

LD1705163093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1120 GMT 17 May 93

[Summary] Belgrade, 17 May (TANJUG)—At a news conference today it was announced that members of the "Independence" association of branch trade unions will begin a general strike in Serbia at 0700 on 19 May.

The main demand of the trade union is that the Serbian Government take over paying salaries to all workers who are on enforced leave and that salaries cover the cost of the basic consumer basket, that is the basic cost of living. Salaries of those in work should not be limited. The strike will last until the demands are met.

Members of other trade unions are invited to join in the strike.

Teachers Union To Participate

LD1705170593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1157 GMT 17 May 93

[Excerpts] Belgrade, 17 May (TANJUG)—The Teachers Trade Union of Serbia today called on all those working in the education sector and parents to "express their dissatisfaction with the conditions of work" in the education system in the republic. [passage omitted]

With this protest the teachers trade union joins in the general strike by "Independence," the association of branch trade unions, which will begin on 19 May at 0700, the statement says.

Transportation Workers To Participate

LD1705170893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1022 GMT 17 May 93

[Excerpt] Belgrade, 17 May (TANJUG)—The independent trade union of the Belgrade City Transport Company will join in the general strike in Serbia on 19 May at 0700 organized by the trade union headquarters. [passage omitted]

Municipal Workers To Participate

LD1705171593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1037 GMT 17 May 93

[Excerpt] Belgrade, 17 May (TANJUG)—The Independent Trade Union of Municipal Workers with its 1,700 members will join in the general strike scheduled for Wednesday by the trade union headquarters, according to Slobodan Stoiljkovic, secretary of the "Independence" Trade Union of Municipal Workers has said. [passage omitted]

Macedonia

Movement Protests Arrest of Albanian Activist

AU1805103093 Tirana ATA in English 1016 GMT 18 May 93

[Text] Tirana, May 18 (ATA)—The Albanian Movement for Understanding and Peace, in its press release of May 17 denounces powerfully the arrest by the Macedonian authorities of the general secretary of the organization "Albanian National Unity" for Kosova and other territories in former Yugoslavia, Fatos Aliu. He is at the same time member of the leading committee of the Albanian Movement for Understanding and Peace. "His arrest was a mafia-like act of the Macedonian police and his handing to the Serbian authorities creates the impression that Macedonian police is an instrument of violence in the hands of the Serbs and that Macedonia continues to follow the practices that Serbia is following in the Republic of Kosova towards the Albanians", the press release said.